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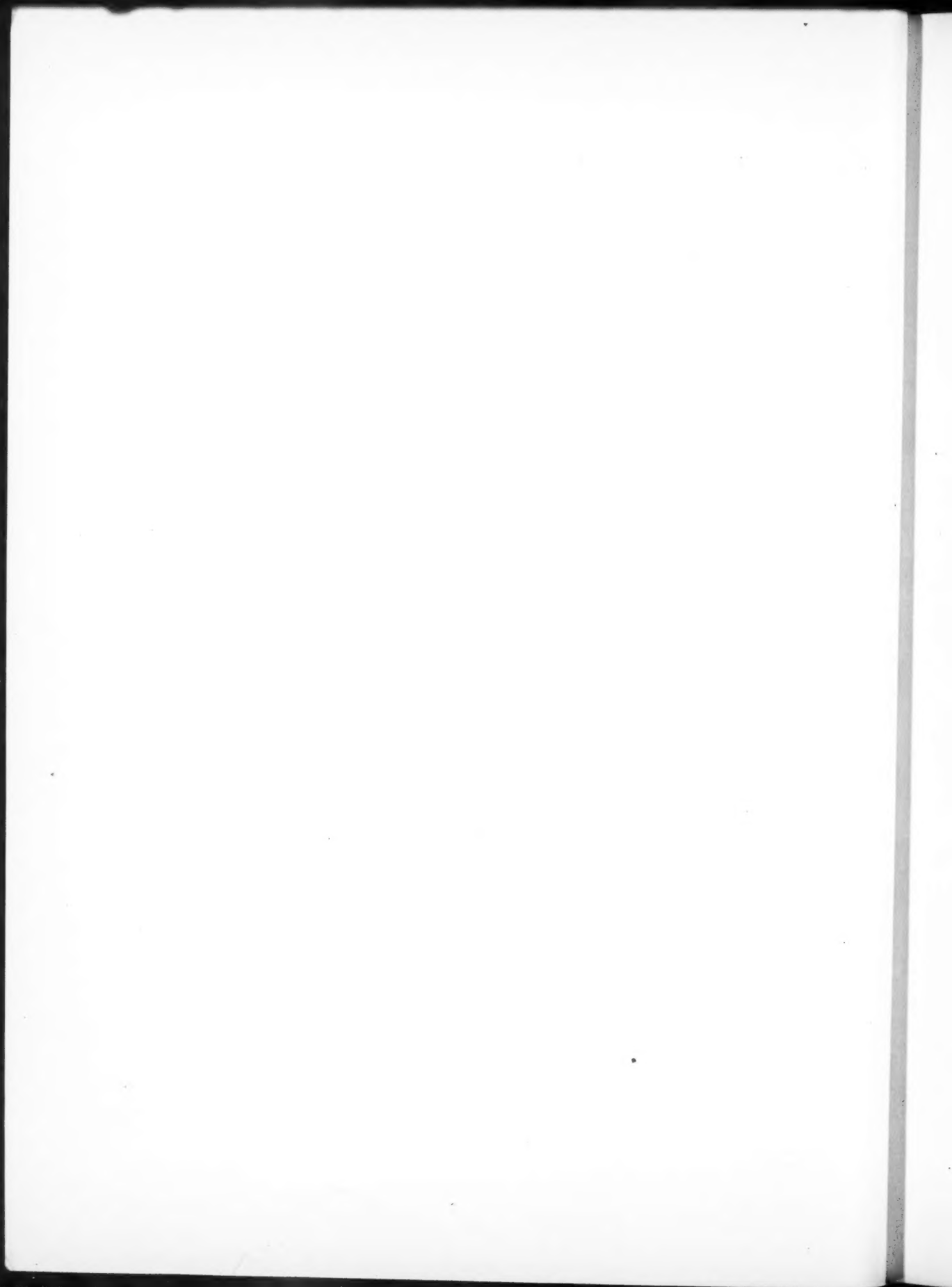


BINDING

Economic Survey of Asia and the Far East 1959



UNITED NATIONS BANGKOK 1960



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ASIA AND THE FAR EAST
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Since the 1957 issue, the *Economic Survey of Asia and the Far East* has, in addition to part I on the current economic situation of the region, contained a study on some major aspect, or problem, of Asian economy in part II, as below:

1957: Postwar problems of economic development

1958: Review of postwar industrialization

1959: Foreign trade of ECAFE primary exporting countries

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PREFATORY NOTE

The present *Survey* is the thirteenth in a series of reports prepared annually by the secretariat of the Economic Commission for Asia and the Far East. A major object of these *Surveys*, and of the quarterly *Economic Bulletins* which supplement them, is the analysis of recent economic developments in, and affecting, the countries of Asia and the Far East in so far as these developments are shaped by, and help to determine, their policies.

Following the usual pattern, part I of the present report gives a preliminary view of the economic situation in the ECAFE region in 1959. Part II is devoted to a review of foreign trade of the primary exporting countries in the region — the long-term (1928-1957) trends, and the prospects and problems.

The *Survey* is published solely on the responsibility of the secretariat, and the views expressed therein should not be attributed to the Commission or its member governments.

Bangkok, March 1960.

EXPLANATORY NOTE

Reference to "tons" indicate metric tons, and to "dollars", United States dollars, unless otherwise stated.

The term "billion" signifies a thousand million.

Three dots (...) indicate that data are not available or are not separately reported.

A dash (—) indicates that the amount is nil or negligible.

A blank in a table indicates that the item is not applicable.

A minus sign (—) indicates a deficit or decrease.

A full stop (.) is used to indicate decimals.

A comma (,) is used to distinguish thousands, millions and billions.

A hyphen (-) between dates representing years, e.g., 1950-1959, is used to signify the full period involved, including the beginning and end years.

A slash (/) indicates a crop year, fiscal year or plan year, e.g., 1958/59.

The crop years used by ECAFE countries in their agricultural statistics vary according to their agricultural seasons. Except in the more northern countries of the region, where calendar years are generally used, crop years are indicated by split years, running most commonly from the middle of one year to the middle of the following one.

The plan years of the ECAFE countries coincide with their fiscal years as given in the table below, except in the case of China: Taiwan, where the plan year coincides with the calendar year.

In respect of information given, the countries listed below have generally been included, subject to limitation of data.

Country	Fiscal year	Currency and abbreviation	United States cents per unit of currency at end of December 1959
Afghanistan	21 March to 20 March to 1955/56; 21 March to 31 August, in 1956; September to August, from 1956/57	Afghani	1.923 ^a
British Borneo ^b	January to December	Malayan dollar (M\$)	32.67
Burma	April to March 1935-1941; October to September, from 1945	Kyat (K)	21.00
Cambodia	January to December	Riel (Ri)	2.857
Ceylon	October to September	Rupee (Rs)	21.00
China:			
Mainland ^c	January to December	Yuan	42.46
Taiwan ^d	January to December, to 1953; January to June, 1954; July to June, from July 1954	New Taiwan dollar (NT\$)	2.749 ^e
Federation of Malaya	January to December	Malayan dollar (M\$)	32.67
Hong Kong	April to March	Hong Kong dollar (HK\$)	17.50
India	April to March	Rupee (Rs)	21.00
Indonesia	January to December	Rupiah (Rp)	2.222 ^f
Iran	21 March to 20 March	Rial	1.320
Japan	April to March	Yen (¥)	0.278
Korea, southern ^g	April to March, to 1953/54; April to June, 1954/55; July to June (extended to December), 1955/56; January to December 1957	Hwan	0.20 ^h
Laos	July to June from 1957	Kip (Kp)	1.250 ⁱ
Nepal	July to June	Rupee (Rs)	14.00 ^j
Pakistan	April to March, to 1957/58; April to June 1958/59	Rupee (Rs)	21.00
Philippines	July to June	Peso (P)	50.00
Singapore	January to December	Malayan dollar (M\$)	32.67
Thailand	April to March, to 1939; April to December, 1940; January to December, from 1941	Baht	4.744 ^k
Viet-Nam, southern ^m	January to December	Piastre (Pr)	2.857

^a Free rate. On 20 March 1958 the following official rates applied: buying rates: 4.630 for Karakul exports, 3.787 for cotton and wool exports and 2.049-2.358 for other exports; selling rates: 3.527-4.938 for official basic rates, and 3.091-4.494 for preferential import rates.

^b British Borneo includes the territories of Brunei, North Borneo and Sarawak.

^c The area under the Central People's Government of the People's Republic of China.

^d The area under the Government of the Republic of China.

^e Devalued from 4.036 on 21 November 1958.

^f Effective export rate (at 36 rupiah to the dollar, after payment of the 20 per cent exchange tax on the nominal exchange rate of 45 rupiah to the dollar or 2.222 cents per rupiah) beginning 25 August 1959. The principal import rates were 1.481 to 2.222 cents per rupiah; other import rates, 0.740 and 1.111. For details, and the rates before 25 August 1959, see *International Financial Statistics*, February 1960.

^g The area under the government of the Republic of Korea.

^h Official and troop pay rates. Curb rate: 0.077.

ⁱ Devalued from 2.857 on 10 October 1958.

^j Source: The Colombo Plan, *Eighth Annual Report of the Consultative Committee*, November 1959.

^k Average of January-December 1959.

^m The area under the government of the Republic of Viet-Nam.

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INTRODUCTION

For the countries of the ECAFE region,¹ 1959 was in general a year of improvement after the moderate setback of the previous year, following adverse weather in the autumn of 1957 and the slowdown of industrial progress in Japan and India. Not only did the volume of exports increase and prices improve in step with the recovery of industrial countries from the 1957-1958 recession, but there was an all round progress; agricultural and industrial production established new records.

Thanks to bumper harvests, the production of foodgrains, available mainly for consumption in 1959, was 11 per cent larger. *Per capita* availabilities of food were higher than in the previous year; there was more of rice, wheat and other cereals, and copra and oil, although a little less of sugar. Among the primary commercial crops and minerals, the trends were somewhat mixed; output of rubber and iron ore increased in response to industrial demand; of petroleum in line with its long-term trend; and of jute following favourable weather. Poor demand, on the other hand, was primarily responsible for the lower production of tin, and adverse weather for that of cotton and tea.

Manufacturing production rose by 17 per cent in the first nine months of 1959 as compared with the first nine months of the previous year. After a protracted recession, Japan's manufacturing production began to rise during the last quarter of 1958, and continued to climb rapidly in 1959 supported by a steadily increasing consumer demand, exports and investment in equipment and inventories. The gain in India was more modest, as its textile industry remained in the doldrums, whereas the producer goods industries forged ahead. The newly industrializing countries, which did not suffer a setback in 1958, continued to break new ground.

The very large production gains, proclaimed towards the end of 1958 in mainland China, were scaled down to a sizable extent in the revisions officially announced in August 1959, although the revised estimates still showed substantial increases in absolute terms. The official results for 1959, announced in late January 1960, indicated a further increase in agricultural and industrial production, although at a rate sharply lower than in 1958.

As several countries of the region will be nearing the completion of their present development plans in 1960 or 1961, progress in achieving their production targets is reviewed. There are inherent limitations in target setting in predominantly private enterprise economies, and it is easier to measure actual results rather than the increase in production potentials that has been achieved by investment directed to building up of economic and social overheads. However, one broad conclusion emerges. Most countries of the region are still some distance away from their food-grain production goals, although results are relatively better for primary export products and manufactured goods. An improvement in inputs is no doubt important; however, the problem of increasing food-grain production in Asia is above all one of organization. It involves remodelling the largely subsistence rural economy, and requires a reorganization of institutional factors such as land system, credit mechanism and marketing. The crux of the matter is to gather momentum on several fronts at the same time. Few countries of the region can feel satisfaction at the progress made in this regard.

World trade, excluding that between eastern Europe, the Soviet Union and mainland China, recovered rather slowly from the recession. Exports of ECAFE primary exporting countries, which had suffered more than those of the primary exporting countries elsewhere, continued to show a decline up to the end of the first quarter of 1959, but rose thereafter. Japan's exports reached a record height of \$2.4 billion in the first nine months of 1959, 17 per cent above the corresponding period of 1958. The most striking feature of Japan's export growth was the substantial increase in its exports to the United States of manufactured consumer goods such as ready-made garments, plywood, toys, chinaware, radios, sewing machines and cameras.

The primary exports of the region responded well, on the whole, to the economic recovery of the industrial countries. In the first half of 1959, exports of rubber and petroleum increased both in volume and prices; of iron ore in volume only; and of copra and tin in prices. However, there were several commodities—cotton, sugar, tea and rice—which yielded ground both in quantities exported and the prices obtained; jute exports declined sharply in volume. The continuing decline in raw jute exports has created serious difficulties for Pakistan. Following

¹ See below, part I, chapter 1, page 5, footnote 2, for the coverage of the term "ECAFE region" as employed here.

the good harvests in the rice importing countries, the rice exporters of the region—Burma, Thailand, Cambodia and southern Viet-Nam—faced increasing difficulties in the first half of the year; their rice stocks started moving only after prices were reduced in the second half.

Export prices increased, on the whole, owing to the sizable price rises for rubber and copra, and import prices declined because of the fall in the prices of cereals and manufactured goods. The terms of trade improved; in the first half of 1959, they were about 9 per cent higher than in first half of 1958, when they had touched bottom, in their downward slide from the peak levels of 1950-1951. They continued to rise in the third quarter, judging from the trends in commodity prices. Towards the end of the year, rubber prices continued to climb, copra prices had eased, and manufactured goods prices were slowly tending to rise. It appeared, therefore, that by the end of the year the steam had gone out of this upward recoil in the terms of trade.

Despite the improvement in production and increased availability of foreign exchange, effective monetary demand continued to exert pressure on prices. The inflationary elements were the increased expenditures on public and private investment, and increased government outlays on current needs. The main exceptions to the general inflationary trend, in the first half of the year, were the region's rice exporters (following the decline in rice exports) and Pakistan (following reduced exports and fiscal retrenchment).

To preserve internal stability and external balance, the governments of the region have resorted to varying financial policies and direct controls. Demand has been kept down in mainland China under a system of direct allocation of resources, rationing, price fixing and government procurement of major commodities. The most effective among the national approaches in other countries have been fiscal policies and quantitative controls on trade and payments. However, fiscal measures have been limited, on the revenue side, by relatively poor administrative machinery, low levels of *per capita* incomes, and paucity of foreign exchange resources which restricts imports of goods with taxable potential, and on the expenditure side, by growing government needs for defence, administration and social welfare. The governments, in general, have found it easier to incur deficits than to raise taxes, or to go to their central banks than to the money markets for funds. On occasions, they have also been forced to cut down their development programmes. Since financial institutions are rudimentary and the

greater part of money supply takes the form of cash, monetary policies, in general, have remained less effective than fiscal policies in regulating effective demand in under-developed countries. Only a few countries, notably Japan and India, with a developed monetary infrastructure—banks, insurance companies and security markets—have employed all the traditional measures of monetary policy, viz., changes in rediscount rates and in reserve requirements against demand deposits, selective credit and moral suasion. The countries of the region, on the whole, were more successful in policies aimed at controlling foreign trade and exchange. Exports increased, the rise in imports was held under control, at least in the first half of the year, and there was more foreign aid. With the improvement in the foreign assets position, several countries of the region, including the Federation of Malaya, India and Japan, either relaxed or altogether abandoned restrictions discriminating against dollar imports. Measures were also taken, with some success, to stimulate private foreign investment.

These traditional measures implementing financial policies have, at times, not been properly co-ordinated; budgetary deficits have continued to defeat credit restraints, or exchange rates have been changed without taking corresponding domestic measures. The Philippines has provided an example of a concentrated deployment of a wide array of fiscal and monetary measures tending in the same direction.

A vigorous attempt to hold under control an already serious situation was made in Indonesia, which, on 25 August 1959, took a series of steps consisting of a partial demonetization of currency, a compulsory conversion of bank deposits into loans to the government, a change in the exchange rate and in foreign exchange regulations, and a salary slash for Government employees. Undoubtedly, some monetary and fiscal reform was necessary owing to the mounting domestic inflation which in turn stemmed from increased budget deficits arising from maintenance of law and order. It is still too early to attempt a full appraisal of the measures adopted. A preliminary assessment seems to indicate that the measures succeeded in stabilizing domestic prices, although the inflationary factors—public credit creation, restricted supplies and domestic commercial disorganization—continued to exert pressure. The new exchange rates retain their multiple character, quantitative restrictions continue and capital flight remains a major problem. In the fiscal field, the proposals to increase revenue have yet to be imple-

mented. The Indonesian monetary measures, however, appear to have achieved the official objective of redistributing resources in favour of state control, in line with the Government's policy of moving in the direction of a "guided economy".

To sum up, for the region as a whole, there was an increase in aggregate resources in 1959, largely due to increase in both agricultural and industrial production, which more than made up for the fall in aggregate imports and for the diminution of domestic supplies represented by the rise in the region's exports. While most governments increased both their consumption and investment, the increment in aggregate resources appeared adequate to carry these as well as increases in private investment and, in several countries, also in consumption. As a result, price movements were for the most part mild (except in certain instances) and showed no marked movement up or down; slightly over half the countries for which data are available showed price increases and just under half showed either price declines or no change. However it can perhaps be affirmed that prices have had a long-term upward tendency in most countries in the region.

A feature of this year's *Survey* is a review of the foreign trade of the primary exporting countries of the region in the light of world trends, covering a period of the three decades between 1928 and 1957. Over this period, it was found that the demand and supply conditions affecting the primary commodities in the world market had had a more acute impact on the primary exporting countries of the ECAFE area, so that they fell behind, not only the industrial countries, but also the rest of the primary exporting countries of the world, in the volume of exports and in their value measured in terms of manufactured goods. Long-term data on import unit values are not available for dependable computations of their terms of trade, individually or as a group. At any rate, the wide divergence in the price changes of major export commodities suggests sharply different—favourable or adverse—movements in the terms of trade for different primary exporting countries of the region. No doubt, there has been a deterioration in the terms of trade since 1951, but it is yet too early to make a proper assessment of it. The deterioration may either be a correction of the sharp rise during the Korean War boom, or it may represent the resumption of the downward tendencies in evidence before the Second World War, threatening also the improvement secured during the war.

Another factor of crucial significance to the primary exporting countries of the region is the violent short-term fluctuations in the earnings of their primary exports. A study of the primary commodities in ECAFE export trade indicates that there has been

great instability not only in terms of foreign exchange but also in terms of import capacity, since changes in import prices have been, on the whole, non-compensatory. The study also suggests that the composition of the primary commodities of the region is such that it renders the export proceeds of the region more susceptible to fluctuations than those of world primary commodities as a group. The region features predominantly in the trade in natural rubber—the most volatile of the primary commodities.

Finally, the experience of ECAFE primary exports confirms the striking fact that the great improvement in the internal economic stability of the industrial countries since the prewar period has not been associated with a commensurate reduction in the instability in export volume, prices and earnings of primary products in the postwar period. Indeed, neither the growth in output and income, nor the increase in economic stability, of the industrial countries of the world, has resulted in a corresponding expansion, or increased stability, of trade in the primary commodities of the world.

Imports, in the meantime, have grown faster than the export-based capacity to import. In the first instance, the ECAFE region—a net exporter of food-grains in the 'twenties—has become a net importer. Secondly, almost all primary exporting countries of the region—many having achieved independence only after the end of the Second World War—have embarked on programmes of economic development and social welfare in response to the "revolution of rising expectations" and have undertaken larger defence commitments. The altered patterns of their demand for imports, and the relatively sluggish progress in their primary production, have, in several instances, made the primary exporting countries of the region more dependent on the industrial countries than in the 'twenties for imports of staple foods for their growing populations and of raw materials for their growing industries. While the establishment of these industries has reduced their dependence on the industrial countries for the relatively simple manufactures such as textile products, the primary exporting countries are almost completely dependent upon industrial countries to supply their increasing need for capital goods imports to sustain their development programmes. It is this dependence which makes the gap between the purchasing power of the exports of these primary exporting countries and their import needs more distressing. They have remained more vulnerable than the industrial countries, since their economic growth is more critically dependent on their capacity to import than is the case with the industrial countries. Indeed, for several of them, even their present levels of living hang precariously on the prospects encountered by not more than two or three primary commodities in the world market.

The study of these long-term trends leads inescapably to the conclusion that the chronic balance of payments difficulties of the primary exporting countries of the ECAFE region have not been caused by accidental or short-term factors, but are the result of fundamental economic changes, that is, changes in the supply and demand factors in world production and trade. These difficulties, in the postwar years, have been alleviated, to some extent, by foreign assistance, but the primary exporting countries still find it necessary to deplete their external assets, increase foreign indebtedness, impose import restrictions or slow down an otherwise technically and economically feasible rate of growth.

Is this aggregate imbalance between what the ECAFE primary exporting countries need and what they are able to earn likely to continue, say, for the next fifteen years or so? An attempt is made to answer this question in the light of projections of imports of primary commodities by industrial countries and corresponding primary export prospects of the ECAFE countries. It appears that, for the region as a whole, and for most individual countries, only a slow rate of expansion of their traditional primary exports to industrial countries, in relation to a rapid

rise in their import needs, can be foreseen. Because of this rather unfavourable outlook, a further assessment was made of the prospects of expanding exports of manufactured goods and service earnings, and of developing alternative markets, and the conclusion was reached that the economic development of the region can hardly be export-orientated; for the region as a whole, a trend towards import substitution of food, other consumer goods and even producer goods, appears unavoidable.

The study ends with a discussion of the implications of this situation for trade policies. The primary exporting countries of the ECAFE region may find it necessary to consider the question of promoting intraregional trade, but only on the basis of a co-ordination of their economic development plans, taking into account the real problems underlying any such efforts. The industrial countries, for their part, may wish to reconsider the nature and the extent of the contribution that they can make to the common effort to reduce the large, and growing, disparities between their levels of living and those of the primary producing countries of the ECAFE region or, for that matter, of the under-developed areas of the world in general.

PART I. A PRELIMINARY VIEW OF THE ECAFE REGION IN 1959

Chapter 1 PRODUCTION

TRENDS IN 1959¹

As noted in the 1958 *Survey*, for the private enterprise and mixed economies of the region,² the year 1958 closed better than it began. The latter part of 1957 and the earlier months of 1958 witnessed a decline in agricultural production owing to unfavourable weather, and a slowing down in the expansion of output in industry because of the recession in Japan and a fall in the rate of growth in India. In contrast with these developments, the latter months of 1958 and the first half of 1959 saw a bumper harvest in several countries of the region and an industrial boom in Japan. Industrial production in India also regained its momentum after the temporary slow-down in 1958; the newly industrializing countries continued to register further gains in their industrial progress which had not halted during 1958. The centrally planned economy of mainland China³ also made substantial gains in agriculture and in industry during this period, although the initial results of the "great leap forwards of 1958" were later scaled down. The preliminary estimates of the harvests gathered in the autumn of 1959 indicate another bumper rice crop.

Food

Foodgrain production in the ECAFE region in the crop year 1958/59, including the 1959 crops of

wheat and barley,⁴ was a substantial improvement over the previous year. The 1958/59 rice crop recovered by 11 per cent from the previous year's bad harvest, and reached an unprecedented level of 85 million tons (milled basis), or 2 per cent above the previous record of 1956/57. The combined production of wheat and barley in 1959 was also the largest in recent years and exceeded the 1958 output by 14 per cent. These increases were further supplemented by a 9 per cent increase in the 1958/59 harvests of other cereals. Thus, in the ECAFE region, total production of cereals available for consumption mainly in 1959 was approximately 11 per cent larger than in the previous year, and surpassed the previous record of 1956/57 by 4 per cent. The 1958/59 output of root crops also increased; sugar production remained somewhat stationary, with increases in beet sugar in Iran and Japan and in cane sugar in Burma, Pakistan, and, among the major exporters, in the Philippines, and the more than matching declines in the other three exporters of cane sugar, viz. China: Taiwan, India and Indonesia. Mainland China had recorded a substantial (35 per cent in 1958) increase in foodgrains (including cereals and potatoes in grain equivalent) according to the official estimates revised in August 1959, and a mild one (4 per cent) in sugar.

The 1958/59 rice production increased in all the countries of the region except two exporting (Cambodia and Iran) and two importing (Federation of Malaya and Pakistan) countries. Among exporting countries, the rice crop in Burma and southern Viet-Nam (up in both countries by one-fourth) rose to a postwar high, largely on account of increased plantings and favourable weather; China: Taiwan again experienced a record crop. In Thailand, the rice harvest also recovered by 26 per cent from the bad crop of 1957/58, but was still somewhat below the 1952-1956 average. Owing to unfavourable weather conditions, on the other hand, Cambodia and Iran experienced declines in rice output by 25 and 5 per cent respectively. Taking all the rice exporting countries excluding mainland China as a group, total rice production in 1958/59 still fell 3.6 per cent short of the record level of 1956/57.

⁴ And not the 1958 wheat and barley crops, which are included in the 1958/59 crop year statistics issued by the United Nations Food and Agriculture Organization.

¹ As this report was completed in January 1960, information available to the secretariat on the second half of the year was necessarily fragmentary; data could generally be had for most countries only for the first half of the year.

² In the text and tables of this and the following two chapters, the terms "ECAFE region" and "region", unless otherwise specified, are used to denote the private enterprise and mixed economies of the region and exclude the centrally planned economies of mainland China, northern Korea and northern Viet-Nam.

³ Information available to the United Nations on economic trends in mainland China—particularly quantitative information—is subject to important qualifications as to comparability and verifiability. See, for example, United Nations, *Economic Survey of Asia and the Far East, 1957*, chapter 4, especially p.86, where the problems posed by data from mainland China are explained in some detail. This note of caution requires special emphasis because of the extraordinarily large size of production gains officially reported from mainland China for 1958 towards the end of that year and the drastic downward revisions officially announced in August 1959. See United Nations, *Economic Bulletin for Asia and the Far East*, Volume X, No.2, September 1959, p.10.

In contrast, the 1958/59 aggregate production of rice in the non-exporting (deficit as well as self-sufficient) countries of the region not only recovered from the previous year's bad harvest but also surpassed the previous record (1956/57) by 3.7 per cent. In addition, the production of wheat and other cereals was much larger than in the previous season. Consequently, the foodgrain situation in most of these countries, on the whole, eased further or improved substantially in 1959. The Philippines had a record crop of rice (up by 9 per cent above 1957/58) and maize (up by 11 per cent); southern Korea harvested the largest rice crop in five years (up by 5 per cent over 1957/58) and larger summer grain crop (wheat, barley and naked barley, up by 15 per cent); Japan had a fourth consecutive bumper rice crop and larger wheat and barley crops (up by 10-11 per cent); Ceylon's rice crop (up by 12 per cent) was only slightly below the record crop of 1955/56; India had a record rice crop (up by 19 per cent) and a record wheat crop, total foodgrains (including pulses) amounted to 74.7 million tons as against 63.5 million tons in 1957/58. Only Indonesia had a moderate gain in rice (up by less than 3 per cent), although its maize output rose by 41 per cent; altogether, domestic supplies of cereals seemed to be insufficient to meet growing demand. Although declines were registered in the rice crop in the Federation of Malaya (down by 9 per cent) and in Pakistan (down by 3 per cent) because of drought in both countries and of decreased acreage in East Pakistan, the foodgrain situation was not bad, particularly in Pakistan where a good wheat crop was harvested in the first half of 1959. On the other hand, mainland China, despite its bumper crop, seems to have experienced shortages of foodstuffs, leading reportedly to tightening, at times, of food rationing, in some cities during the early part of 1959, owing mostly to transportation difficulties, diversion of agricultural labour to industrial production which caused large quantities of crops to be left ungathered in the fields, and greater retention on the farms or in the communes for own consumption.

At the time of writing, only limited information is available on the 1959/60 rice crop in the region. Preliminary estimates indicate a very large crop which may even exceed the previous year's record harvest. Japan gathered the largest crop on record; India, southern Korea and the Philippines were expecting another bumper harvest; and production was likely to recover in the Federation of Malaya and Pakistan. Among rice exporting countries, China: Taiwan's second rice crop suffered serious damage, but good harvests were expected in Burma, Cambodia, Iran,

Thailand and southern Viet-Nam. Mainland China had set the 1959 production target for foodgrains (including potatoes) at 10 per cent above 1958; the actual increase was reported to be 8 per cent.

Other primary products

Among other primary products, mainly for export, *tea* in the region showed a slight fall (2 per cent) in production in the first eight months of 1959 as compared with the corresponding period of the previous year. Output increased in China: Taiwan, northern India and Pakistan; it decreased (owing to drought) in Ceylon, southern India and Indonesia. The Government of Ceylon is making an effort to raise yields and improve the quality of its tea. It has approved a plan for replanting 12,000 hectares of estate area and for rehabilitating about the same area of small estates, to be financed by an export cess on tea. Data on 1959 production in mainland China, a major producer, are not available.

The 1958/59 *cotton* production in the region declined by 5 per cent as compared with the previous season, owing mainly to unfavourable weather and inadequate water supply in the two leading producers in the region, viz. India and Pakistan, where output declined by 5 and 9 per cent respectively. As expansion in acreage in the two countries is limited by existing irrigation facilities and by the need to grow more food, efforts are being concentrated on increasing the yield. Steps have been taken to obtain a larger crop through distribution of improved seeds and increased application of fertilizers. Among the minor producers, output went up in Burma and Iran, declined in southern Korea, and remained stable in other countries of the region. Mainland China had claimed a 28 per cent increase in 1958/59 according to the revised statistics; its 1959/60 crop was reported to have increased by 15 per cent.

The 1958/59 *jute* crops, unlike cotton, were considerably larger in India and in Pakistan; total production of the region, including mainland China, increased by 16 per cent over the previous year, owing more to the extension of area of cultivation rather than to improvement in yield. At the same time, better qualities were not plentiful, particularly in India. Preliminary estimates of the 1959/60 crop indicate a slightly higher crop; the production increased in India and in mainland China, but it decreased in Pakistan, where the Government reduced licensed acreage for the second year in succession and banned cultivation in the frontier districts in order to prevent smuggling and the production of inferior jute. At the same time, the incentive to plant jute was reduced by the advance of rice prices in relation to jute.

For *copra* and coconut oil a supply shortage was experienced up to the middle of 1959. Poor rainfall from late in 1956 to early 1958 in the main coconut growing regions of Asia lowered coconut yields sharply in 1958 and 1959, although from June 1959 there was a recovery in the availability of coconuts in the Philippines which accounted for the major part of the region's previous decline.

Natural rubber, however, experienced the most significant increase in production (up by 17 per cent in the first half of 1959 over the first half of 1958) following increased demand. A large part of the increase came from the Federation of Malaya and from smallholdings in Indonesia. The recent downward trend in Indonesia's output appears to have been arrested in 1959. The output in the Federation of Malaya has been steadily rising and is estimated to match Indonesian production (700,000 tons) in 1959. Among the rubber producing countries of the region, new planting and replanting of high yielding strains has gone furthest in the Federation, where about a third of the acreage has already been newly planted or replanted. As the trees come into bearing, the Federation will replace Indonesia as the world's largest producer of natural rubber. In Indonesia, disturbed internal conditions have prevented the full implementation of the replanting plans. Ceylon, having completed its first five-year replanting scheme in 1957, embarked on a more ambitious scheme for a further five-year period ending in 1962. In Thailand, legislation on a replanting scheme was expected to come into force in 1960.

Mineral production of the region also increased. The index for the region rose by 4 per cent during the first half of 1959 as compared with the corresponding period a year ago. This was mainly due to a rise of 10 per cent in *petroleum* (mostly from Iran), and of 30 per cent in iron ore; the production of other metal ores declined.

The region's *coal* production remained stationary during the first half of 1959. A substantial increase was achieved in India and in other minor producing countries, whereas output in Japan declined. The coal industry in Japan is under pressure of high inventories since competition from natural gas and petroleum as sources of energy and as chemical raw materials has increased. Mainland China also reported an increase in coal output in 1959. The increase in the production of *iron ore* reflected the brisk expansion in steel industry in mainland China, India and Japan. Two of the four major iron ore

producing countries of the region, other than mainland China,—India and the Federation of Malaya—together accounted for 80 per cent of the total increase during the first half of 1959, and the other two—Philippines and Japan—for the balance. Production of *tin*, governed by International Tin Agreement export quotas, did not recover completely from the setback suffered during the 1957/58 recession and from the effects of the large sales made by the Soviet Union in 1958. Production of tin concentrates during the first half of 1959 was 11 per cent less as compared with the corresponding period a year ago. However, signs of recovery appeared around mid-1959 as international market for tin began to improve.

Manufactured goods

Industrial production in the private enterprise and mixed economies of the ECAFE region reached the highest level during 1959, recovering from the slight setback in the previous year. During the first nine months of 1959, the index of manufacturing production in the region rose by 17 per cent over the corresponding period a year ago. This was in response to favourable developments in domestic and export demand.

After a protracted recession, Japan's manufacturing production began to rise rapidly during the last quarter of 1958, and continued to climb as the economy moved into a new phase of sharp upswing in 1959. The expansion in India was somewhat moderate, mainland China claimed a further (but much smaller than in 1958) increase in industrial output, and a number of newly industrializing countries and areas such as China: Taiwan, southern Korea, Pakistan and the Philippines also reached new highs.

The upswing (by 26 per cent) in this year's manufacturing production of Japan was supported by steadily increasing consumer demand, exports, and a high level of investment in equipment and inventories.

Replenishment of inventories of raw and finished materials by manufacturing industries acted as a prime mover in the initial stages of the present boom. At the same time, the upward trend in consumer demand, especially for durables, accelerated the pace of industrial expansion. Large increases in output were registered in 1959 over 1958 in machinery (42 per cent), iron and steel (32 per cent) and non-ferrous metals (31 per cent), which constitute the backbone of Japan's expanding industry. Even

the textile industry, which had been suffering from sluggish demand, made a substantial recovery, rising by 17 per cent in response to the export pick up.

As contrasted with the previous year when large capacity became excess as a result of the "creeping recession", the presence in 1959 of an expanded volume of "basic" facilities (iron and steel, electricity, etc. up by 51 per cent since 1955) made it possible to secure a rapid growth with relative stability. During the twelve month period ending with December 1959, prices fluctuated within a 4 per cent range. This is in striking contrast with the previous boom (1956/57) which was associated with bottlenecks in the production of basic industrial materials such as iron and steel. Other important factors that contributed to industrial expansion included an upsurge in exports, especially of light consumer goods, to the United States and the more steady rise in investment (at a level about 10 per cent higher than in 1958).¹

Industrial production in India, after the slowdown in 1958, rose by 7 per cent during the first nine months of 1959 as compared with the corresponding period in 1958, owing to the steady rise in producer goods industry. Thus, while the textile industry (accounting for 35-40 per cent of the total industrial production) barely regained the previous year's level, manufacturing of metals, cement, and various machinery items continued to rise throughout 1958, and the rise was somewhat accelerated early in 1959.

During the first nine months of 1959, as compared with the corresponding period in 1958, output of cotton yarn rose by 3 per cent, while mill-made cotton fabrics and jute textiles declined slightly. However, the level of cotton yarn output rather than cotton fabrics serves as a better indicator of production of cotton textiles because a substantial portion of Indian cotton fabrics is produced by the handloom industry using factory-produced cotton yarn.

Output of iron and steel, electrical and other machinery and transport equipment registered increases during the first nine months of the year ranging from 10 to 33 per cent over the corresponding period of 1958. However, the event of the year in the industrial development of India was the going into production of the two state-owned steel plants at Bhilai and Rourkela. These two plants, with an annual capacity of one million tons each, were to produce finished steel by the end of 1959. The third steel plant at Durgapur was also expected to be completed towards the end of 1959.

¹ As contrasted with the wild scramble for resources in 1956 when investment rose by 70 per cent.

The pace of target setting in mainland China appears to have somewhat relaxed in 1959, in industry as in agriculture. Following the reappraisal of the results achieved in 1958, official targets for 1959 production were revised downwards in some cases. According to official estimates, gross industrial production (including handicrafts) was expected to rise by about a quarter in value in 1959 over the level of 1958; the actual increase was reported to be 39 per cent. The rate of growth was, as before, much higher for producer goods than for consumer goods.

Industrial production continued to rise to higher levels during 1959 in China: Taiwan, southern Korea, Pakistan and the Philippines, largely because of improved domestic demand following good harvests and expanding exports. Industrial production of China: Taiwan rose by 16 per cent during 1959 as compared with the previous year; large increases were registered by the rapidly expanding chemical industry. In Pakistan, industrial production is estimated to have risen by 11 per cent during the first half of 1959 over the first half of 1958, as a number of new plants went into operation. Industrial production of southern Korea, aided by expansion in textiles, increased by 3 per cent during the first nine months of 1959 as compared with the corresponding period in 1958.

Textiles and other consumer goods dominate the industrial production of these newly industrializing countries, and the continued increase in these countries under protective import restrictions remains in sharp contrast with the rather stagnant long-term trend in textile exports from Japan and India. Cotton textiles from China: Taiwan, Hong Kong, southern Korea and Pakistan have also appeared in the export markets and led to intensified competition. The "self-imposed" restrictions on their cotton goods exports by Hong Kong and Pakistan indicate the general trend of increasing resistance that even these relatively new entrants have to encounter as their export volume grows.

As against this trend of increasing production of consumer goods in the newly industrializing countries, the outstanding feature of the industrial development in Japan, India and mainland China has been the increasing importance of heavy industry. It is interesting to note that, with maturing economic growth, these countries made much larger progress in the field of producer goods, irrespective of the drastic differences in their economic systems, ranging from the predominantly private enterprise economy of Japan to the centrally planned economy of mainland China.

Japan's industry has been undergoing a process of drastic structural transformation in favour of heavy industry. During the short period between 1955 and June 1959, metals, machinery and chemical industries, with a combined weightage of 40 per cent of the total industrial production in 1955, expanded by 135 per cent. The consumer goods industry, on the other hand, has been encountering the low demand elasticity for food and textiles (together accounting for more than a quarter of total industrial production). Their production rose by only 25 per cent during the same period. Furthermore Japan's textile industry, which was responsible for more than half of total prewar exports, is faced with increasing competition in the shrinking export markets, although there were short-lived upswings from time to time, as during the Korean boom. The process of structural transformation was further reinforced by the advent of automation on the one hand and mounting pressure of the demand for consumer durables on the other. After rising by 30 per cent in 1958, when over-all industrial production was at a standstill output of consumer durables in June 1959 was 68 per cent higher than a year previously.

The course of industrial development in India has been greatly influenced by state planning. While the textile industry has been in the doldrums, lacking encouragement from domestic and export demand, the output of producer goods kept rising throughout 1958, thanks largely to the state policy of building up industrial foundations. The production of electrical and other machinery and transport equipment is well over twice the level of 1953. However, these new industries still account for less than 10 per cent of industrial production. It is apparent, then, that the industrial production of India reflects a structural imbalance, since the predominant textile industry is faced with satiated domestic demand, although the absolute level of *per capita* consumption of cotton textiles is not by any means high, and since export markets, both for cotton and jute textiles, have remained stagnant.

A similar structural change may be observed with respect to industrial development in mainland China, where the economy, under complete state control, has been geared to build up heavy industry. In the meanwhile, the consumer goods industry has been held back. The proportion of producer goods in the total gross value of industrial production is reported to have risen from 27 per cent in 1949 to 57 per cent in 1958, with a corresponding fall in the proportion of consumer goods.¹

PRODUCTION LEVELS IN RELATION TO PLAN TARGETS

As several countries of the region will be nearing the completion of their present plans in 1960 or 1961, it would appear that this is a good moment to assess the progress made in achieving their production targets.

One way to measure the implementation of plans is to compare planned investment (in financial terms) with actual expenditure. However, this is difficult for two reasons, namely, price rises in the interim period, and the discrepancies between actual expenditure and estimated costs arising from defective initial cost analysis. In any case, it would be a mistake to measure improvement in the nation's productive capacity simply by taking into account the volume of financial outlays. It is indeed more rational to interpret actual production levels attained during the plan period in the light of the production targets fixed in the plans.

This type of analysis, however, would obviously be limited in scope, as several of the plans do not include production targets. Secondly, current production levels should be examined against not only the plan targets but practical production potentials. Current results may well overshoot the targets set by conservative planners; in other cases, the targets may be too high or unrealistic. Thirdly, since a considerable amount of initial effort is devoted to the building up of economic and social overheads, it does not have its full impact on the productive capacity in the short period during which the plan has been in operation, or even within the full period of the plan. And still these investments may be more relevant to productivity than mere measures of actual gains achieved. Finally, in comparing current output with plan targets, it may be kept in mind that production goals usually indicate the total or average rate of growth over the entire plan period. They seldom set out annual targets, and it would be unrealistic to assume that production will increase in any uniform manner from year to year. A comparison of production levels at intermediate points with output targets at the end-point is likely to remain inadequate. However, a study of the growth of output in the intermediate years is made to observe the trends and form a tentative notional estimate if final production goals are being approached or are still remote.

AGRICULTURAL PRODUCTION

Setting agricultural production targets is a complicated process. For targets to be realistic, a first prerequisite is the availability, completeness and

¹*Peking Review*, 13 October 1959, p.7.

Table 1. Selected ECAFE Countries: Indices of Crop Production and Plan Targets
(Base period of the plan=100)

Country	Rice	Wheat	Sweet potatoes	Sugar	Oilseeds ^a	Tea	Tobacco	Cotton	Jute	Rubber	Agricultural production index ^b
Burma											
1955/56 BA	100						...	100		...	100
1956/57 A	110						...	94		...	115
1957/58 A	89						...	68		...	101
1958/59 A	112						...	77		...	116
1960/61 T	126						...	106		...	...
Ceylon											
1954/55 BA	100				100	100				100	100
1955/56 A	104				133	104				100	107
1956/57 A	86				120	102				102	101
1957/58 A	101				86	108				105	104
1958/59 A	113				77	113				107	107
1959/60 T	140				...	...				...	...
1957 BA	100				100	000				100	100
1958 A	112				89	104				102	103
1968 T	244				...	127				136	...
China: Taiwan											
1952 BA	100	100	100	100 ^c	100	100	100		100		100
1956 A	114	156	123	147	...	116	...		86		119
T	118	129	123	137	...	125	...		87		...
1956 BA	100	100	100	100	100	100	100		100		100
1957 A	103	133	105	109	114	112	123		53		110
1958 A	106	147	115	117	118	118	111		99		115
1959 A	...	...	...	123	...	...	...		...		...
1960 T	115	133	102	111	139	157	121		114		...
India											
1950/51 BA	100 ^d			100 ^e	100	100	100	100	100		100
1955/56 A	127			105	112	105	116	137	128		122
T	114			113	108	...	...	143	164		...
1955/56 BA	100			100	100	100	100	100	100		100
1956/57 A	104			112	109	104	99	118	102		106
1957/58 A	94			114	107	108	85	119	97		97
1958/59 A	111			116	121	112	...	118	123		112
1960/61 T	122			132	123	110	100	163	119		...
Indonesia											
1955 BA	100	100 ^f		100 ^g	100	100				100	100
1956 A	101	98		92	100	98				100	100
1957 A	102	90		97	97	108				97	101
1958 A	105	141		91	83	106				92	103
1960 T	121	...		...	...	...				...	...
Japan											
1956 BA	100 ^h										100 ^h
1958 A	114										112
1959 A	119										116
1962 T	108										122
Korea, southern											
1957 BA	100										100
1958 A	105										102
1959 A	...										...
1962 T	123										...
Pakistan											
1948/49-											
1954/55 BA	100	100		100 ^e		100 ^g	100 ^g	100 ^g	100 ^g		100
1955/56 A	87	97		112		96	76	107	101		102
1956/57 A	108	105		118		100	74	105	99		96
1957/58 A	98	107		135		83	78	102	103		110
1958/59 A	90	111		139		100	...	95	108		...
1959/60 T	108	112		133		115	116	121	121		...
Philippines											
1955/56 BA	100			100	100						100
1956/57 A	102			94	120						106
1957/58 A	98			133	121						110
1958/59 A	106			119	100						111
1960/61 T	117			...	...						...
1956/57 BA											100 ⁱ
1961/62 T											138 ⁱ

NOTE: A = actuals, B = base year, T = target.

Sources: United Nations Food and Agricultural Organization and other international publications, in addition to the following sources for different countries; Burma: *Economic Survey of Burma 1959*; Ceylon: *Six-Year Programme of Investment 1954/55-1959/60* (July 1955), *Ten-Year Plan* (June 1959), and *Ceylon Quarterly Bulletin of Statistics*; China (Taiwan): *Taiwan Production Statistics Monthly, Agricultural Planning and Production* by T. H. Shen (March 1958), and the *Second Four-Year Plan*; India: *Monthly Abstract of Statistics, Agricultural Situation in India* (August 1959), *Review of the First Five-Year Plan* (May 1957), and the *Second Five-Year Plan of India* (1956); Indonesia: *Statistik Konjunktur*; Japan: *Agricultural Outlook No. 15* (1959 semi-annual); Pakistan: Central Statistical Office, *Statistical Bulletin, the First Five-Year Plan, 1955-1960* (December 1957), and *Statistical Yearbook of Pakistan 1957*; Philippines: *Three-Year Programme of Economic and Social Development FY 1959/60 to FY 1961/62*, (January 1959) and Central Bank of Philippines, *New Digest*, vol.XI, no.36 (1 September 1959).

^a Peanuts for China: Taiwan, and copra for Ceylon, Indonesia and the Philippines.

^b National indices except Indonesia and southern Korea, for which FAO indices have been used.

^c White sugar only.

^d All foodgrains, including pulses.

^e In terms of raw sugar.

^f Maize.

^g Tea, 1951-1955; tobacco, 1954/55; cotton, 1954/55; jute, 1950/51 to 1954/55, excepting 1953/54.

^h Normal base.

ⁱ Food crops.

accuracy of statistical data. It is important that sufficient information be available on land use and potential resources so that the extent of current availabilities and possibilities of further development may be accurately assessed. The reliability of crop and area statistics and efficiency of collection methods strongly influence the quality of available data and of the projections based on them.

With the targets set, or even without them, the implementation of agricultural development programmes is generally worked out in terms of estimates of public expenditure on the construction of irrigation facilities, or sometimes on the provision or subsidization of input factors such as fertilizers or improved seeds. However, the achievement even of realizable production targets does not automatically follow, in commensurate proportion, the creation of physical assets and the increase in the supply of inputs. For this it is important that the relative merits of improved seeds and fertilizers be widely demonstrated to the cultivators and their willing acceptance secured. This move must also be followed up by an adequate and timely supply of these inputs.

Still, however, in so far as most countries rely for increased production on the response of individual farmers to the incentives and facilities provided within the framework of national policy, choice of crops and quantities to be raised will significantly depend on the rural institutional framework (land system, credit mechanism, agricultural marketing, etc.) and the assessment of relative price and profit incentives (or of subsistence needs) of one crop against another. Only in the centrally planned economy of mainland China has the impact of individual decisions and market forces been blunted by government policies, and national efforts geared as a monolithic entity achieving production goals.

Superseding all other factors, however, is the unpredictable influence of weather which may easily upset the achievement of planned levels of production in a given year or two.

The growth of agricultural output in current plan periods showed improvement over the base period in all countries of the region for which statistics are available (see table 1). However, the rates of growth differed, sometimes quite sharply, for the different countries. Factors retarding or accelerating agricultural production varied in their nature and intensity. It will, therefore, be useful to discuss separately current production levels of several countries of the region with their plan targets in order, where possible, to identify the reasons for lags or fulfilment in implementing the programmes to attain the targets.

Burma's five year programme (1956/57-1960/61) envisages a 26 per cent increase in rice output over 1955/56 to 4.8 million tons in 1960/61, of which a total of 2.5 million tons should be available for export. The additional production is to result from bringing back into cultivation some 490,000 hectares of abandoned rice land, and from raising the yield from 9.6 (1955/56) to 10.9 quintals per hectare. Thanks to favourable weather, the 1958/59 rice crop reached a postwar peak of nearly 4.3 million tons. It was 12 per cent above the base year, but still 11 per cent short of the final target for 1960/61. Although per hectare yield of rice jumped to an all-time high of 10.8 quintals in 1958/59, sown acreage did not increase appreciably in the last seven years and was still 80 per cent of the prewar average. In the two years that remain, it appears unlikely that production targets will be hit unless the acreage under rice is to expand rapidly.

Ceylon has published two plans, the six-year investment programme (1954/55 to 1959/60) and the ten-year plan (1959-1968). The former plan was dropped with the change in the Government in 1956; however, many of its programmes continued to be implemented. The latter plan was published in June 1959; it has not yet been formally adopted.

The six-year programme provided for four estimates of rice production in 1959 based on different rates of increase in average yields per hectare. According to the most conservative estimates, rice output was to increase by nearly 40 per cent over the base year (1954) during the plan period from a 16 per cent expansion in harvested area and a 20 per cent increase in yields per hectare. Although actual production has fluctuated with the weather, the 1958 near-record rice harvest was still only 13 per cent above the base year production. While the expansion in area has been as scheduled, yields per hectare, although on the rise, have lagged behind. The realization of the 1959 target seems doubtful.

It is not possible to relate the performance of Ceylon's export crops to targets, since the latter are given not in terms of production but only of programmes to improve production. The programme for the rehabilitation of tea, advocated by the six year investment programme, went into effect only in 1959, and was described earlier.¹ Of about 113,300 hectares of "uneconomic" rubber lands (1952), 32,400 hectares were to be transferred to other crops, chiefly cocoa, and the balance 80,900 hectares were to be replanted with high-yielding rubber strains. The Rubber Replanting Subsidy Scheme (1953-1957) was extended to 1960 under the six year programme.

¹ *Supra*, p.6.

During the first two years of the schemes, 1953 and 1954, only 10,500 hectares were replanted. The annual rate of replanting was stepped up to 8,100 hectares under the six-year programme beginning 1954/55. With a total of about 38,000 hectares replanted by 1957, the targets for the first three of the six-year programme were overfulfilled. In 1958, the Government decided to extend the scheme to 1962, to reach the final target of 80,900 hectares, at a rate of about 8,900 hectares per year. In 1958, 9,900 hectares were replanted. The coconut industry is being rehabilitated through a scheme subsidizing the use of fertilizers and another one for the replacement of senile palms. It is proposed, by 1971, to increase the yield of nuts from some 4,900 per hectare to 6,400 and total output from an estimated 1954-1957 average of 2,300 million nuts per year to 3,000 million nuts. Coconut production in 1957 and 1958 was adversely affected by droughts. Annual replanting was at the rate of a little over 4,000 hectares up to 1955 under the subsidized seedling distribution scheme, started as early as 1948. Although the target for replanting was raised to 6,100 hectares a year in the six-year investment programme, the rate of replanting actually rose to 6,500 hectares in 1956 and 6,900 hectares in 1957, making a total of some 42,900 hectares replanted up to the end of 1957.

The ten-year plan aims at attaining a replanting, by 1968, of 27,100 hectares (12 per cent of the total) under tea with new high-yielding clones, a total of 142,500 hectares (58 per cent of the total) under rubber, and 152,200 hectares (about one-third of the total) under coconuts. The plan also provides for the diversion of marginal lands under tea and rubber to other uses — primarily the cultivation of cocoa. In non-export crops, the plan provides for a rigorous programme of import replacement, including a more than doubling of rice production.

In *China*, Taiwan nearly fulfilled its agricultural production targets in the first plan (1953-1956) and demonstrated the realistic nature of production goals and the effective participation of government agencies and farmers. It is estimated that during the first plan period the annual average gross value, at constant prices, of agricultural products¹ increased by 30 per cent over the 1950-1952 levels.² Actual output registered considerable gains in the plan period for sweet potatoes, wheat and sugar cane. However, partly owing to bad weather and partly to some shortfall in the planted acreage, production of rice and tea remained below the planned levels. There was, on the whole, a substantial success in raising

yields through a co-ordinated programme of irrigation and drainage development, extended use of fertilizers, extension of improved variety of seeds and culture methods, better measures for plant protection and extended scope of institutional improvements such as land reform and farm production loans.

The second four-year plan (1957-1960) also included production targets for fourteen major crops. The 1958 rice crop, at 1.89 million tons, was 6 per cent above the base year (1956), and 8 per cent below the 1960 target. There seems to have been a temporary setback in the 1959 crop because of severe flood damage. The target for white sugar, 850,000 tons in 1959/60, was surpassed with an output of 894,000 tons in 1957/58 and of 938,000 tons in 1958/59. The 1960 targets for sweet potatoes and wheat were also exceeded in 1958, although the peanut, tea and jute crops, in addition to rice, remained well below planned targets with two years still to go.

Growth of crop production on the mainland under the first five-year plan (1953-1957) was reported to be generally satisfactory. Foodgrain production targets were fulfilled, while those for agricultural raw materials remained unhit except for raw cotton. In the case of jute and rapeseed, production levels in 1957 were even lower than in 1952, the pre-plan year. Shortfalls of the realized levels of production from those planned appear to have been due to unfavourable weather conditions, to comparatively restricted use of improved input factors in spite of some increase in the area under cultivation, and emphasis on foodgrain production. In the first year of the second five-year plan (1958-1962), as a result of intensified effort, principally in irrigation, and favourable weather conditions, the country was reported to have already achieved its original 1962 target in foodgrains with an increase of 35 per cent over the 1957 crop, higher than the 20 per cent increase in the full five year period of the first plan. Output of raw cotton in 1958 also reportedly increased by 28 per cent as compared with a 5 per cent annual rate of growth in the first plan period. Production of sugar in 1958 was 40 per cent below the 1959 revised target, although it was 4 per cent above the 1957 output.

Progress in mainland China appears to have considerably slowed down in 1959. In view of the damage done by floods and drought to crop production, the target rate of expansion in foodgrain and cotton output in 1959 was placed only at 10 per cent over the revised production estimates of 1958; even this target was not realized for foodgrains.

¹ Including crops, livestock, forestry and fishery products.

² Shen T.H., *Agricultural Planning and Production*, March 1958, p.36.

The overall progress in agricultural production has been achieved in the context of a major structural reorganization, first from individual farm households into collectives (1956-1957) and from collectives into communes in 1958. The latter look after the over-all development of agriculture, forestry, animal husbandry, sideline production and fisheries, and the co-ordination of production and marketing activities.¹

India's first five-year plan, drawn up at a time of acute cereal shortages and inflation, accorded the highest priority to programmes of agricultural development. Foodgrain targets were set with a view to closing the widening gap between foodgrain production and population growth, requiring an annual import of 3 million tons of foodgrains at that time. Targets for cotton and jute aimed at reducing the dependence on external source of supply, and those of sugar-cane and oilseeds at improving low nutritional levels. For the achievement of these goals, the first plan attached considerable importance to minor irrigation and land reclamation and development. Actual foodgrain production reached 67 million tons in 1955/56, exceeding the target by more than 4 million tons. Extension of cultivation contributed substantially towards the progress made, although the high level of output realized was predominantly the product of good weather. The targets for oilseeds were exceeded, while those for raw sugar (gur), cotton and jute remained unhit.

However, the optimism generated by two successive good crops in 1954/55 and 1955/56 seems to have led to the setting up of 81.8 million tons as the foodgrain target for 1960/61 (the last year under the second five-year plan)—a figure about 22 per cent above the 1955/56 actual production. Indian agricultural production, like Asian production generally, remains largely a gamble on the weather; only 24 per cent of the crop area in the country has an assured rainfall, and about 18 per cent is provided with irrigation. The severe setback in 1957/58 of foodgrain production, which was 6 per cent below the base year (1955/56), was largely the result of bad weather. On the other hand, good weather resulted in the record foodgrain production of 74.7 million tons in 1958/59—nearly 11 per cent larger than in 1955/56, although it still fell 9 per cent short of the final target for 1960/61. It is not clear what portion of the increase represents permanent gains. Among the means of increasing production, large and medium irrigation has reportedly lagged behind schedule, and the existing irrigation facilities have not been fully utilized. There has been a gap between the demand for, and the availability of, chemical

fertilizers. On the other hand, certain schemes such as minor irrigation and establishment of seed farms are being accelerated. On the basis of present trends, the possible foodgrain production of 1960/61—the final year of the plan—has been estimated by the Government's Food Enquiry Committee at 78.7 million tons, and by the Agricultural Production Team sponsored by the Ford Foundation at 76 million tons. On the assumption of good weather, the 1960/61 production may come close to the former estimate, though the plan target seems beyond reach.

Indian production of crystal sugar has been falling since 1957 mainly owing to a diversion of cane from vacuum pan factories to local *khandsari* (brown sugar) manufacture, following the imposition of excise taxes on crystal sugar in 1957. The 1958/59 output of all kinds of sugar in terms of raw sugar (gur) was 16 per cent above the 1955/56 base level, about half-way to the final target.

Indian cotton production, 18 per cent above the base year in 1958/59, was considered below average; it was still far behind the final target (by 28 per cent). The Indian jute target aimed at achieving self-sufficiency; this was already reached in 1958/59. The ban on raw jute exports was lifted for the first time since 1950, but shipments were only 10,000 tons, owing to uncertainty about the application of export duties and to difficulties in re-establishing lost markets. The 1959/60 jute (and mesta) crop is also expected to exceed the plan target. The Government of India is making an effort to reduce production and marketing costs and to improve the quality of the jute produced.

Tea is India's main export crop. The 1959 crop was adversely affected by drought in south India. Production in 1958 had already exceeded the 1960 target by 1.6 per cent. If the proportions between the whole years 1959 and 1958 are the same as the first eight months of the two years (a drop of 1.7 per cent), the 1959 crop might just fall short of the 1960 target.

All in all, it appears that India has fared better in commercial or cash crops, where production has responded well to economic incentives, than in foodgrains. Basically, the problem appears to be one of organization. Indian thinking in recent years seems to pin great faith on the role of co-operatives. A new policy, on the anvil, adopts the village community as the primary unit of agricultural development, rather than the peasant farmer as heretofore. Village institutions—the *panchayats* and the co-operatives—are to be strengthened so that they can act as vehicles to carry the knowledge of improved practices to the peasant holdings. Admittedly, there is growing

¹For a more detailed account of the communes, see the *Economic Survey of Asia and the Far East, 1958*, pp.18-19.

official recognition that in this respect the "results of the community project movement have not gone as far as had been desired."¹ The future agrarian pattern, envisaged by the present government, relies on co-operative joint farming, in which the land will be pooled for joint cultivation, the farmers continuing to retain their property rights and obtaining a share from the net produce in proportion to their land. Quite a few problems remain to be worked out, such as those relating to the organization and management of co-operative farms, the size of such farms, the implications on impending land reforms relating to the ceilings on land holdings, and so on. These problems touching the very heart of rural reorganization are expected to be tackled in the course of implementing the third five-year plan.

The urgency of solving the production problem has been brought to the fore by the forecast of a widening gap between foodgrain requirements as estimated for the third plan period and the supply possibilities as indicated by current production trends. The suggested targets vary between 102 and 112 million tons of foodgrains by 1965. An "all-out emergency programme" according "the highest priority to agricultural development among all other categories of development for the remainder of the second five-year plan and for the entire third plan period" has been recommended by the Ford Foundation Agricultural Production Team.² The extent of the resources to be devoted to agricultural development and the priorities to be assigned to major development projects are at present engaging the attention of the Indian planners.

In addition to the problem of increasing production, the Government of India is tackling the problems of increasing efficiency in collecting and distributing farm surpluses through a scheme of state trading in foodgrains. Previously, farm surpluses used to be wrested from the peasant and brought to the market through such institutions as tenancy farming, share cropping and money lending. The improved economic position of the cultivators due to a variety of reasons, such as higher prices, increased availability of credit without the need to pledge crops, and land reforms, has enabled them to hang on to their stocks or even to play the market. So far "state trading" has been confined only to wheat and rice and consists of direct purchase from the producers at "fair" prices, aimed at squeezing middlemen's margins. With a view to promoting regional self-sufficiency and avoiding cross movements of food-

grains, a system of food zones has been created for rice and wheat; interzonal trade in rice and wheat has been prohibited.

In *Indonesia*, rice output under the five-year (1956-1960) plan has tended to rise slowly but steadily. The 1958/59 rice crop exceeded the base year (1955/56) by 5 per cent, but it was still 14 per cent below the final target for 1960/61. Although the acreage under rice has been gradually expanded, yield per hectare in recent years has been stagnant. There is no possibility that the 1960 production target of 8.2 million tons of rice, a figure 21 per cent above 1955, will be achieved in the remaining two years. Indonesian production of centrifugal sugar in 1958/59 fell by 6 per cent. Unsettled political conditions, inflation, unfavourable weather, pests, shortfalls in fertilizers and in other inputs combined adversely to affect the output of practically all Indonesian export crops during the 1958/59 season.

Japan's long-range economic projection (1958-1962) estimates a 22 per cent rise in agricultural production and a 63 per cent rise in livestock production over the 1956 normal base. In 1957 and 1958, agricultural and livestock production was increasing at higher than the projected annual rate. The final projection for rice proved rather low and was already surpassed by successive good crops. Attention is now being focused on the widening gap in the rise in incomes between the agricultural and non-agricultural sectors, and on the need to raise labour productivity in agriculture. During the last decade, although various new techniques and some mechanization have been introduced by many farmers, a further increase in productivity is apparently being hampered by the small size of Japanese farms. In July 1959, the Government set up an inquiry committee to examine the basic problems of agriculture, to review the existing government policies and measures, and to recommend new lines of policy.

The five year (1958-1962) rice production programmes of *southern Korea* envisages a 23 per cent increase in rice output over the 1957 level to 2.8 million tons in 1962, mainly by raising yields per hectare through the extension of irrigation, increased use of manures and better practices, and pest and disease control. The 1958 rice crop exceeded the base production by 5 per cent, although it was still 15 per cent below the 1962 target. The yields per hectare have been steadily increasing, except for a severe setback in 1956.

In *Pakistan*, in 1958/59—the fourth year of the five-year plan (1955/56-1959/60), agricultural production lagged behind plan targets in respect of almost all crops, except raw sugar. The targets set for

¹ Government of India: *Appraisal and prospects of the second five year plan*, 1958, p.16.

² Government of India, *Report on India's Food Crisis and Steps to Meet It*, 1959, p.13.

foodgrains are rather modest; the production of rice is to be increased by 8 per cent, and of wheat by 12 per cent, over the average annual production during 1948/49-1954/55. In fact, the final targets were already reached by the past record harvest of rice in 1953/54 and of wheat in 1949. The 1959 bumper wheat crop was only 1 per cent below the final target. Rice output, however, declined in the last two years; the 1958/59 crop was 10 per cent smaller than the base production and fell 17 per cent short of the final goal. The estimated production of jute in Pakistan in 1958/59 was lower than the following year's final target by 6 per cent. In view of the stagnation in exports, the major policy adopted by Pakistan in recent years has been rather one of restricting jute output as a means of maintaining prices. The Government has recently appointed a commission to assess potential jute requirements and to deal with the improvement in jute marketing. Pakistan's estimated cotton production in 1958/59 was still 21 per cent below the target for 1959/60. The main reasons for the non-fulfilment of the target were inadequate water supply and unfavourable weather. The acreage declined; yields remained unchanged. If Pakistan's tea production in 1959/60 were to be about 4 per cent higher than in 1958/59, as was the case for the first five months of the fiscal year, it would indicate a progress somewhat behind schedule, the 1959/60 target being 11 per cent further off.

Shortfalls in crop production in Pakistan, as in other countries of the region, were largely due to unfavourable weather conditions which affected crop yields rather severely in the first, third and fourth years of the plan. Waterlogging and salinity put considerable land out of use, and reduced production potential. Implementation of agricultural programmes remained slow; shortfalls were experienced both in the creation of agricultural real assets and in farm supplies. Against a target of 647,000 hectares to be newly brought under cultivation in the colonization schemes, only 142,000 hectares were cropped by the end of 1957/58; the use of fertilizers and improved seeds remained restricted, and the extension of plant protection measures were behind schedule. Non-fulfilment of land development and irrigation targets was associated with, if not entirely due to, the lack of properly investigated schemes, delays in financial sanction, shortages of foreign exchange, material and equipment and lack of trained technical personnel. The present administration has accorded the highest priority to increasing food production. In early 1959, a start was made on the implementation of land reforms and, in July, an Agricultural Commission was set up to inquire into the slow progress of the

country's agricultural development and to recommend measures for increasing food output. The Commission was expected to submit its report by the end of June 1960.

The *Philippines'* five-year economic and social development programme for 1956/57-1960/61, adopted by the National Economic Council in January 1957, envisaged a 17 per cent increase in rice output over the base year 1955/56 to 2.4 million tons in 1960/61. The record rice harvest in 1958/59 exceeded the base year by 6 per cent, but remained 9 per cent below the final target. The increase in rice output in recent years has resulted mainly from the expansion of area cultivated, as yields per hectare were stagnant until 1958/59. In March 1959, the National Economic Council submitted to the President a new three-year (1959/60-1961/62) programme of economic and social development, raising the 1961/62 target of food crops to a level 38 per cent above the 1956/57 base year. Sugar production has been continuously rising since 1956/57, and reached a total of 1.38 million tons in 1958/59—19 per cent above 1955/56. The increase has been in response to favourable weather and to the increases in the quota for the domestic market, granted in 1957 but taking effect in 1958 and 1959. The Philippine copra production was adversely affected by the poor rainfall in the eighteen months up to mid-1958, resulting in sharp declines in coconut yields in 1958 and early 1959. However, supply recovered from the middle of 1959 onwards. The 1960 production, reflecting the somewhat above average rainfall in early 1959, should indicate a full resumption of the upward trend, barring such unpredictable events as typhoon damage.

INDUSTRIAL PRODUCTION

The industrial development plans of most countries of the region provide for the installation or increase in the capacity of the enterprises in the public sector; only a few countries (China: Taiwan, India, Pakistan and the Philippines) include broad estimates of the development envisaged in the private sector. The plans generally contain an indication only of the direction and approximate magnitude of private investment under the influence of the government's fiscal and financial policies. The planning authorities do not exercise full control over private production which, to a large extent, depends on available capacity and its utilization, availability of inputs, and market demand. Only in the centrally planned economy of mainland China has the state assumed a centralized and direct control over the allocation of resources to eliminate the influence of market demand.

In free market economies, industrial development in the private sector is encouraged by providing a suitable economic framework. Tariffs and import restrictions have been used by most countries of the region with the double purpose of conserving foreign exchange and providing protection to the new or already established industries. Another device, adopted in several countries (Ceylon, Indonesia and Thailand), has been the compulsion on importers to purchase specified quantities of local products in order to qualify for a licence to import the balance of their requirements.

Fiscal incentives to encourage new enterprises or to direct investment into particular channels include provisions for duty-free or reduced-duty imports, tax holiday for a certain number of years, and accelerated depreciation on new investments. Foreign enterprises have been given assurances against precipitate nationalization, and regarding the provision of foreign exchange to repatriate profits and capital. In addition, governments have directly provided or guaranteed long-term loans at lower than market rates of interest and, in several cases, directly contributed to capital or provided subsidies.

The accelerated effort in public investment to create industrial capital for operation directly by the government has mostly been concentrated on creating facilities which will result in enlarged industrial production in the future, not only in the public sector but also in the private sector. Thus, in India, considerable investment has been devoted to the creation of three state-owned steel mills, two of which have only recently gone into operation; the third one will go into production in 1960. When these steel mills will operate at full capacity, they are expected to stimulate ancillary and subsidiary industries in both the public and the private sectors. In short, efforts have been put in, but the results lie in the future. On the other hand, where investments have been directed to quick-yielding projects, such as textiles, footwear or other consumer goods industries, there have been rapid increases in the indices of industrial production (in Pakistan, for instance). Secondly, the rates of growth depend on the base year levels from which progress is measured. The sharp rates of growth in the newly industrializing countries merely reflect the meagreness of their industrial production in the base period. Not only is this true in comparisons between the rates of growth in different countries, but also in the different sectors in a given country. Industry in Pakistan, for instance, would move considerably faster than the Goliath of agriculture. Finally, the indices of industrial production are themselves not an entirely reliable instrument in measuring the rates of progress. In some countries, such as India and Pakistan, the indices include only

the products of factory industry; their coverage falls quite short of total industrial output; for example, industrial production indices of India account for less than half of total industrial output and for a meagre 6.8 per cent of national product as a whole. However, they tend to show a greater statistical, rather than a real, advance, since smaller units, which were altogether excluded previously, are fully included as soon as they cross the boundaries of the index, i.e., qualify as regards the number of workers employed, size of capital, use of power, and so on. Thus, output of total industry at constant prices increased by 24 per cent in India between 1951 and 1957; industrial indices recorded an increase of 40 per cent. In other words, the indices more truly reflect trends in the output of factories, mines and power houses than of industry as a whole.

The material put out by governments of various countries shows, broadly, a more satisfactory rate of growth in industry than in agriculture. This may partly be a matter of organization. Agriculture, as was noted in the 1958 *Survey*, is scattered among millions of peasant farmers whose individual responses govern the total agricultural output, the crops grown and the improvements secured. Industrial programmes, on the other hand, have often been started from scratch, affect only a limited number of enterprises, and are more amenable to control by the planning authorities.

Subject to the various qualifications arising from the small base, the limitations of the indices of output and the large investment in creating capacity which has not yet resulted in production, the current levels of industrial output may be reviewed with reference to production targets set in the plans for several countries (see table 2), with a view to indicating the problems confronted in achieving the planned levels of output. In sum, there has been a lack or shortage of foreign exchange and domestic capital, of industrial raw materials, of entrepreneurs, managers and skilled labour and, finally, of realistic and practical planning.

In *China*, considerable advance was made in Taiwan under the stimulus of the first four-year plan (1953-1956). The index of industrial production increased by 55 per cent. Despite the shortfalls in investment, considerable expansion took place in the production of major industrial goods, such as aluminium ingots, cotton yarn, petroleum, paper, wheat flour, fertilizers, cement and power. Industrial production in the second four-year plan (1957-1960) is estimated to show an increase of 104 per cent; manufacturing output will increase by 110 per cent

Table 2. Selected ECAFE Countries: Indices of Industrial Production and Plan Targets
(Base period of the plan=100)

Country		Industrial production ^a	Mining	Manufacturing				Steel	Electricity
				Average	Food ^b	Textiles	Chemicals		
China: Taiwan									
1952	A	100	100	100	100	100	100	...	100
1956	A	155	115	166	158	180	153	...	158
1956	BA	100	100	100	100	100	100	...	100
1957	A	114	112	114	122	111	118	...	114
1958	A	119	120	118	117	103	122	...	128
1959 1st half	A	134	127	137	115	141	201	...	133
1960	T	204	171	210	124	166	417	...	220
India									
1950	BA	100	100	100	100	100	100	100	100
1956	A	138 ^c	123	151	190	133	195	133	...
1955	BA	100	100	100	100	100	100	100	100
1956	A	108	103	109	116	106	108	106	114
1957	A	112	114	112	130	103	114	107	128
1958	A	114	120	113	123	99	130	103	145
1959 1st half	A	119	128	118	...	99	135	123	166
1960/61	T	149 ^c	...	...	135	124 ^d	275-400	331	200
Japan									
1956/57	BA	100	100	100	100	100	100	100	100
1957/58	A	112	108	113	105	104	114	107	111
1958/59	A	116	100	117	112	97	121	106	118
1959/60 (Apr-Sept)	A	138	102	141	100	112	140	136	132
1962/63	T	161	134	163	142	118	189	173	167
Pakistan									
1954/55	BA	100	100	100					100
1955/56	A	121	109	122					132
1956/57	A	135	123	136					162
1957/58	A	145	130	147					194
1958/59	A	162	141	163					...
1959/60	T	...	...	188					350
Philippines									
1956	A		100	100	100	100	100		100
1957	A		112	107	105	126	103		121
1958	A		111	116	101	157	112		139
1959 1st half	A		123	127	...	196	108		178

Source: See table 1 as relevant.

NOTE: A = Actuals. B = Base year. T = Target.

^a For Pakistan, mining and manufacturing only.^b For India, sugar only.^c Fiscal year ending March. Source: *Appraisal and prospects of the Second Five-Year Plan*, May 1958, p.60.^d Cotton textiles only.

and mining output by 71 per cent. The actual performance (34 per cent increase) in the first two and a half years was well below planned targets, but the rate of increase is expected to accelerate in the balance of the plan period as a result of the completion of projects now under construction.

Industrial production in the mainland of China under the first five-year plan (1953-1957) reportedly more than doubled and exceeded the plan targets, more significantly so for producer goods, but only slightly for consumer goods. This could have been the result of a changed emphasis while actually implementing the plan. Industrial fixed capital rose by about a half; the industrial labour force by 43 per cent (from 3.5 to 5 million); and capital assets per worker by three-fourths.

Industrial (including handicraft) production was expected to rise by 76 per cent under the second five-year plan (1958-1962) over the actual level in 1957. However, the pace of industrialization was quickened in 1958 and 1959 when it reportedly rose by about two-thirds and two-fifths successively, with sharper increases for producer goods, such as steel and capital equipment, than for consumer goods, such as cotton cloth, edible vegetable oil and sugar.

A major feature of industrial development in India in the period before that of the first plan (1951/52 to 1955/56) was the development of consumer goods industries, with capital goods industries lagging considerably behind. To amend this situation, nearly half of total investment in industries under the plan was to go into metallurgical industries

and petroleum refining; about a quarter of it into engineering and chemicals, fertilizers and pharmaceutical industries; considerably smaller investments were planned in consumer goods industries. The public sector claimed a modest share of the total investments in industries. The investments in small scale and cottage industries were aimed at putting some life into their development.

Investment targets were attained in the private sector, and the nearly full utilization of installed capacity in consumer goods industries in line with the planned priorities resulted in a rise in consumer goods production. Progress in increasing installed capacity fell short of targets in producer goods industries such as iron and steel, aluminium, fertilizers and newsprint, and in capital goods industries such as machine tools. Towards the end of the plan, work on some major projects such as steel, power and fertilizers was accelerated to yield results during the second plan.

On the whole, during the first plan, production of capital goods showed a rise of 70 per cent from its modest level, while the output of industrial materials, as well as that of consumer goods, rose by 34 per cent. The aggregate index of industrial production rose by about 38 per cent; for the second plan period (1956/57 to 1960/61), further rise of 49 per cent was projected. The actual increase (19 per cent in three and a half years) fell far short of the planned rate of increase. In general, capital and producer goods industries such as general engineering and chemicals, some of which have been newly established or expanded, have shown a significant rise; steel production can expand sharply only when steel projects are in full operation; the mining of iron ore has made steady progress but that of coal has lagged somewhat; consumer goods such as sugar, paper, tobacco and rubber products have risen, albeit slowly; cotton and jute textile industries have been dragging at a level below that of 1956. The reasons for the sluggishness of the textile industries, already discussed above, are broadly to be found in the demand factors at home and abroad. The shortfall in other branches of industrial production in the first two years of the second five-year plan was caused by difficulties associated with the underestimation of the internal and external costs of the projects to be implemented. The estimated foreign aid was not fully forthcoming, and the country's exports failed to respond to government stimuli. Large imports for the maintenance needs of the economy as well as for development had depleted the reserves. The controls, tightened up as a result, were administered in favour of the "core" projects, mostly in the public sector like steel, coal, transport and power. The increasing share of the public sector in both internal and external resources of the country led to a decrease

in the amount of capital that could be raised in capital markets by companies in the private sector¹ and a lower share for private imports. Since the tightening of controls in 1958, the private sector seems to have been somewhat starved of imported industrial materials and of machinery unless it could itself secure credit facilities. The Government, however, seems to have been satisfied with the substantial, though lower than potential maximum, performance by the private sector.² It appears that in the initial stages of the the second five-year plan, the Government let the private sector gather momentum, but, as soon as resources became tight, the policy was abandoned. Some of the industries established during this period (several heavy chemicals, electrical engineering) will either reach or exceed plan targets; others, such as machinery (but not sugar machinery), structural fabrication and metallurgical industries, may fall short. The shortfall in the machinery industry is likely to have adverse repercussions on the development of several consumer goods industries. In the development of the latter, there is evidence of a split policy to some extent. Whereas the cotton mill industry was handicapped with excess capacity, the Government put up artificial barriers such as excise taxes on its output and gave large subsidies to stimulate handloom production. The progress in handicraft production has so far remained discouraging; only 7 million yards were produced in 1957 from the yarn produced on the *Ambar* spinning wheel as against the lower revised target of 150 million yards. The mill industry was also prevented from becoming competitive in the export market through rationalizing its production, in order to avoid causing unemployment even temporarily.

However, the major difficulties of the first half of the second plan are over. The recent improvement in the availability of external assistance and the upturn in demand have brightened the prospects for industrial development; the completion of the steel projects may stimulate a spurt in the production indices.

Japan's 1958/59-1962/63 plan³ differs from the plans of other ECAFE countries to the extent that it is more or less a projection lacking government

¹ Government of India, *Appraisal and Prospects of the Second Five-Year Plan*, 1958, p.64.

² "All available information suggests that the organized private sector in industry, mining, plantations, electricity undertakings and transport other than railways has invested in the first half of the plan itself as much as it was expected to invest over the whole of the Plan period", *Reserve Bank of India Bulletin*, January 1959, "Some Reflections on our Domestic Economy", a talk by the Governor of the Bank.

³ Since the *New Long-Range Economic Plan, FY 1958-FY 1962* no longer conforms to the present state of economic activities, a new long-range economic plan with a view to doubling the gross national income is under preparation. Expected to be completed in autumn 1960, it will replace the current *Long-Range Economic Plan*.

commitment for the achievement of the targets, except in the limited field of monetary and fiscal policies. The economy, so far, has made satisfactory progress; gross national product in 1958/59 exceeded by 2.3 per cent the average rate of growth projected for the period 1956/57 to 1962/63, and the gap was expected to widen further in 1959/60 to 8.5 per cent. This was largely due to rapidly rising industrial production which in 1959/60 was expected to exceed the projected average by about 20 per cent, after the quick recovery from the 1958 recession.

The actual achievement up to the end of September 1959 in relation to the projections demonstrated a widening gap between the expanding and declining industries. The industries producing materials and services for industrial consumption, machinery and consumer durables progressed faster than the projected annual average rates. The largest of the increases took place in the electrical appliances industry, in response to the great spurt in the demand for consumer durables. Food, textiles and coal, on the other hand, were not expected to keep pace with the general increase, and were faced with problems of structural adjustment. The textile industry, after the fall in output in 1958/59, caught up with the planned average rate of growth; coal fell short. Faced with high surplus coal stocks, the Government, in October 1958, drew up a series of measures to curtail output in the latter half of 1958/59 by 14 per cent as compared with the corresponding period of the previous year.

The discrepancy between the straight-line projections and performance was mainly due to the acceleration of the structural transformation in the Japanese economy in favour of heavy industry, and to favourable economic conditions especially in the other industrial countries of the world. The structural transformation not only strengthened domestic progress with price stability, but also is expected to help reduce import dependence in the long run. It appears, on the whole, that Japanese projections of output increase were on the conservative side.

The performance of the industrial sector in the first four of *Pakistan's* five-year plan (1955/56 to 1959/60) was considerably more satisfactory than the development in the agricultural sector. Even then, the targets were not fulfilled. It was estimated that the over-all rise in manufacturing production (large-scale plants only) would be 88 per cent in gross terms (and 80 per cent in terms of value added) during the plan period. The actual rise in gross value at the end of March 1959 was only 63 per cent, the more accelerated growth having taken place after October 1958 under the vigorous policies of the new administration.

While progress in cotton and jute textiles has been notable, *Pakistan*, unlike mainland China and India, has not, in any significant manner, embarked on heavy industry. Output expanded rapidly in the industries producing sugar, cigarettes, matches and cement, in many cases owing to a fuller utilization of existing capacity. The implementation of plan targets for the fertilizer industry was delayed, whereas basic chemicals, the paper and paperboard industries are operating fairly close to schedule. The output of the engineering and electrical industries suffered somewhat on account of the failure to make full use of the installed capacity. A number of causes have hampered the realization of output and investment targets in industry so far. Raw materials, particularly imported ones, were in short supply. Foreign exchange stringency also cut down the imports of equipment and spare parts, causing interruption in the growth of output to desired levels. Shortage of technical and managerial personnel and a lack of industrial experience also prevented the careful planning and execution of schemes for industrial investment and production.

The five-year (1956/57-1960/61) plan of the *Philippines* did not establish production targets, but indicated the targets for investments, the largest share (29 per cent) going into chemicals. Other projects included an iron and steel mill, a dry dock, a textile mill, a cement project and some machinery plants. This plan was replaced in 1959 by the three-year programme (1959/60-1961/62), with targets of production given project-wise. So far, the Government has concentrated its efforts upon providing incentives; actual investments were left in the hands of the private sector, except for some of the projects enumerated in the 1957-1961 plan which were to be implemented in the public sector. The manufacturing index by the middle of 1959 indicated a 27 per cent increase over 1956 and a practical doubling of output from 1953; mining output increased by 23 and 42 per cent respectively. As in the case of *Pakistan*, a serious barrier to a more rapid rate of industrial development in the *Philippines* was shortage of foreign exchange to support the industrial raw material requirements of the established industries. It was estimated that, towards the end of 1958, the average level of operation in the Philippine industry was only 52 per cent of rated capacity. Foreign exchange shortage also militated against imports of capital goods for the establishment of industrial enterprises, even when they were deemed "new and necessary" under the tax-exemption provisions of the Philippine law. On the other hand, the new Philippine plan did not consider a lack of funds, the shortage of technical manpower and skilled labour, non-availability of electrical power, or even market limitations, as serious bottlenecks in the country's industrial progress.

Chapter 2

FOREIGN TRADE

TRENDS IN 1959¹

World trade, which had declined in 1958, registered an increase in 1959. Recovery was slow, however, and the level of world exports (excluding trade between mainland China, Soviet Union and the countries of eastern Europe) in the third quarter of 1959 was just a little below that of the last quarter of 1957, when it had reached a record level. The upturn started in the last quarter of 1958, but in the third quarter of 1959 it had not yet surpassed the level of the bottom of the recession, reached a year earlier, by more than 9 per cent.

The decline in world trade was associated with the recession in the industrial countries during 1957/58 (see table 3). Although the recession in the United States was more severe than in western Europe, where levelling off rather than recession is the proper description of the slackening of economic activity in 1958, imports into the United States fell much less (by 2 per cent) than those into western Europe (by 10 per cent).² The fall in United States imports in 1958 was concentrated, however, on imports from the primary producing countries. In

western Europe, the sharpest decrease (by some 25 per cent) took place in trade with the United States; the decline in imports from primary producing areas was of about the same order of magnitude in both the United States (6 per cent) and western Europe (7 per cent).³ In Japan the reduction in imports in 1958 was very large, although production levelled off rather than decreased during 1957/58. The decrease seriously affected the primary producing countries; their exports to Japan decreased by 25 per cent.

It will be noted, from table 3, that the exports of all primary producing countries combined suffered relatively less than the industrial countries from the recession in world trade, and their subsequent recovery has been faster. In fact, and with the exception of the second half of 1958, their exports since the beginning of 1958 have been in each quarter at least as high as in the corresponding quarter of the previous year. Furthermore, their exports in the second quarter of 1959 were some 8 per cent, and in the third quarter of 1959 some 9 per cent, higher than in the corresponding period of 1958.

¹ See footnote (1), page 5.

² Excluding intraregional western European trade, which declined only very little.

³ It may be mentioned here, in passing, that the decline in the value of exports of primary producing countries was apparently entirely due to price changes, as the volume of shipments increased slightly.

Table 3. World Production and Trade, 1957-1959, by Quarters
(Index numbers of volume and value in billion dollars)

	1957				1958				1959		
	I	II	III	IV	I	II	III	IV	I	II	III
Industrial production (1958=100)											
North America	100	108	107	105	98	97	100	106	109	114	
Western Europe	97	100	93	102	100	101	94	104	100	104	
Japan	97	103	100	98	99	97	99	105	131	120	
Trade (billion dollars)											
Exports f.o.b.											
World ^a	24.7	24.9	24.1	25.2	23.2	23.1	22.7	25.0	22.9	25.0	24.8
Primary producing countries . .	7.4	7.1	7.4	7.7	7.4	7.2	7.0	7.5	7.4	7.8	7.6
Imports c.i.f.											
All industrial countries ^a											
From industrial countries ^a . .	11.2	11.7	9.9	11.2	10.1	10.4	10.4	11.1	10.2		
From rest of the world ^b . . .	6.9	6.7	7.4	5.5	6.3	6.1	5.8	6.4	6.3		
North America											
From industrial countries ^a . .	2.80	3.07	2.90	2.94	2.57	2.82	2.78	3.12	2.93		
From rest of the world ^b . . .	1.86	1.75	1.76	1.93	1.77	1.77	1.58	1.92	1.93		
Western Europe											
From industrial countries ^a . .	7.87	7.93	6.47	7.85	7.08	7.18	7.00	7.65	6.93		
From rest of the world ^b . . .	4.52	4.38	5.12	3.12	4.15	3.91	3.86	4.02	3.95		
Japan											
From industrial countries ^a . .	.54	.66	.55	.42	.41	.37	.36	.31	.38		
From rest of the world ^b . . .	.51	.62	.52	.45	.40	.41	.37	.41	.41		

Source: United Nations, *Monthly Bulletin of Statistics*, and *Direction of International Trade*

^a Excluding centrally planned economies.

^b Including centrally planned economies.

ECAFE PRIMARY EXPORTING COUNTRIES

The region's primary exporting countries fared considerably worse than the primary exporting countries in the rest of the world (see tables 3 and 4). Between the first half years of 1957 and 1958, their exports decreased by some 13 per cent, while exports of all primary producing countries still increased slightly; and between the second half years of 1957 and 1958, the decline in the region's exports was larger (6 per cent) than that of all primary producing countries (4.4 per cent). The recovery of ECAFE exports in 1959, also, was considerably slower. In the first quarter of 1959, the exports of the ECAFE primary producing countries registered a further decline of some 4 per cent as compared to the first quarter of 1958, while the exports of all primary producing countries remained at about the same level.

The exports of the ECAFE primary exporting countries were especially hard hit by the decline in their exports to Continental western Europe and to Japan, though the latter showed a remarkable recovery at the end of 1958 and during early 1959. Their exports to the United States and to the United Kingdom, on the other hand, were maintained better. Their exports to the centrally planned economies rose sharply in the second half of 1958 and in early 1959, offsetting, to some extent, the decline in exports to other destinations. In contrast, it would seem rather striking that the exports of the primary exporting countries of the ECAFE region to each other declined also during the recession (see table 4). To some extent, this was undoubtedly due to the automatic effect of their falling incomes during this period. In part, however, it was due to foreign exchange difficulties.

Table 4. ECAFE Primary Exporting Countries:^a Destination of Exports, 1957-1959, by Quarters
(Million dollars)

Period	Exports to							Total
	United States of America	United Kingdom	Continental western Europe	Japan	ECAFE countries ^a	Centrally planned economies	Rest of the world	
1957								
I . . .	254	235	277	166	363	69	293	1,657
II . . .	255	166	214	156	350	76	273	1,490
III . . .	276	217	225	103	370	65	304	1,570
IV . . .	261	231	227	98	401	63	261	1,542
1958								
I . . .	242	227	205	113	329	52	264	1,432
II . . .	219	186	165	114	327	63	216	1,290
III . . .	221	240	194	102	300	110	272	1,439
IV . . .	239	244	203	133	304	119	259	1,501
1959								
I . . .	255	207	172	144	263	95	238	1,374

Source: United Nations, *Direction of International Trade*, and national sources.

^a The countries included are Burma, Cambodia, Ceylon, China: Taiwan, Federation of Malaya, Hong Kong, India, Indonesia, southern Korea, Laos, Pakistan, Philippines, Singapore, Thailand and southern Viet-Nam.

As the upturn in exports was accompanied by a further fall in imports (the result, largely, of import restrictions), the trade balance of the primary exporting countries of the region improved considerably. Between the first half years of 1958 and 1959, the trade balance improved at an annual rate of about one billion dollars, as compared with an improvement between the full years 1957 and 1958 of 600 million. This was the more gratifying as the recent amelioration was brought about not exclusively by a fall in imports but owed nearly half to the recovery of exports. This is in contrast with the experience

between 1957 and 1958 when the improvement was accompanied by a fall in exports of about 600 million dollars. Hence imports declined by more than 1,200 million, causing considerable difficulties by limiting supplies of necessary capital goods and raw materials.

Few statistical data are as yet available on non-merchandise transactions in 1959. Balance of payments data for Burma, Ceylon, India and Pakistan indicate that, with the exception of Pakistan, current account items other than merchandise trade were, on balance, somewhat worse, while receipts of foreign aid

were higher in the first half of 1959 than a year earlier. The improvement in the trade balance is reflected in rising foreign exchange reserves of the primary exporting countries of the region.¹ In September 1959, these reached 3,165 million dollars, some 110 million dollars more than in September 1958. There were a few exceptions to this general improvement (Ceylon, China: Taiwan, and especially Iran); and reserves were still some 20-25 per cent below their level before the onset of the payments crisis of 1957/58. The short-term² outlook for their exports is favourable, however, in view of continuing boom conditions in the industrial countries which may be expected to be increasingly reflected in higher imports from the non-industrial countries. It seems likely, therefore, that the primary exporting countries of the region may look forward to a further increase in their exchange reserves, and an easing in their import restrictions, in 1959/60.

Recent data on mainland China's trade are scarce. The target volume of its exports in 1959 was reported to be 17.8 per cent higher than in the previous year.³ Information on trade beyond this is not yet available. The centrally planned economies have accounted, in the last few years, for some 75 per cent of mainland China's trade.

Trade with western Europe was much higher in the first half of 1959 than in the first half of 1958; mainland China's imports increased more than its exports. The Federal Republic of Germany accounted for nearly half the increase in imports. The trade, especially mainland China's imports, was much lower, however, than in the second half of 1958. The bulk of mainland China's imports from western Europe, in the first of 1959, consisted of ferrous and non-ferrous metals and chemicals, while its exports were made up almost entirely of raw materials and semi-manufactured goods.

Trade of mainland China with the countries of the ECAFE region (excluding Burma and Iran, for which data are not available) declined during the first half of 1959. Exports in that period were one-quarter lower than in the first half of 1958, and imports were cut by half. The main reason for this decline was the suspension of trade with Japan, and the reduction of trade with Hong Kong. Trade with the primary exporting countries of the region showed only a slight decrease. Sharply diminishing imports

from the Federation of Malaya and Singapore were offset by equally sharply rising imports from Indonesia. On the export side, the notable decline in exports to Hong Kong—which accounted for about half the exports of mainland China to the region—was to some extent compensated by larger exports to Indonesia. As a result, the substantial export balance of mainland China with the region (mainly in trade with Hong Kong) declined slightly.

Trade with Ceylon is to proceed on the basis of a new protocol within the framework of the Sino-Ceylonese 1958-1962 trade agreement. This provides for an exchange of 30,000 tons of Ceylonese rubber for 230,000 tons of mainland China's rice as well as other goods. The terms of this new agreement are more favourable to mainland China than the original one, as Ceylon has agreed to accept Chinese goods, and not sterling, in payment of any balance. Thus, exports of mainland China's manufactures to Ceylon may be stimulated, although, as recently as in 1958, they accounted for only 6 per cent (largely textiles) of mainland China's exports to Ceylon.

JAPAN

Japan's exports reached a record height of US\$1,540 million during the first half of 1959—11 per cent higher than during the corresponding period of 1958, but only slightly higher than the previous record level reached (\$1,530 million) during the second half of 1957. In the third quarter, there was a further sharp increase in its exports. The expansion, in the first half of the year, was accompanied by a substantial shift in the destination of its exports. Thus, exports to other industrial countries increased by 39 per cent, while exports to primary exporting countries decreased by 9 per cent. Further shifts occurred within each of these two broad trade flows. Exports to the United States increased by no less than 51 per cent owing, in particular, to a large expansion of exports of ready-made garments, plywood, toys, chinaware, radios, sewing machines and cameras. The increase of 8 per cent in exports to Europe, although significant, was much less spectacular. Most notable among its shipments to primary exporting countries were the increases of more than 20 per cent in its exports (mostly cotton goods and machinery) to Oceania, as against a decline of some 13 per cent to the primary exporting countries of the region, (owing mainly to suspension of trade with mainland China). Exports to markets in the Middle East, Africa and Latin America, especially of cotton, rayon and sponge-rayon fabric, also declined (by 6 per cent) as compared with the corresponding period of the previous year.

¹ Including Burma, Ceylon, China: Taiwan, Federation of Malaya and Singapore, India, Indonesia, Iran, southern Korea, Pakistan, Philippines, Thailand and southern Viet-Nam.

² The long-term prospects for the exports of the primary exporting countries of the region are discussed in Part II of this Survey.

³ Premier Chou En-Lai, "Report on the 1959 Economic Plan", in *Peking Review*, No. 35, 1 September 1959, p. 15.

To some extent associated with this shift in the destination of exports was a change in their composition; light machinery and consumer durables characterized the expansion of 1959, in contrast to the leading role of iron and steel, ships (of which exports declined sharply, reflecting the world-wide shipping recession) and heavy industrial products, in the previous boom. Textiles, on the other hand, increased slowly, and were in the first half of 1959 some 3 per cent, and in the third quarter 10 per cent above the corresponding period of 1958.

Imports rose by 24 per cent in volume but only by 10 per cent in value during the first half; in the third quarter, however, the rate of increase in value was much higher. The volume of imports in the first half of 1959 slightly surpassed the previous peak level reached in 1957, but the value of imports was still nearly one-fourth lower owing to the large decline in the unit value of Japanese imports between 1957 and 1959. This reflects, of course, the fall in price for such important Japanese import commodities as cotton, wool, bread grains, crude petroleum and iron ore, as well as the decrease in freight rates. Imports from the ECAFE primary exporting countries increased much more than proportionately with the recovery in Japan's imports, and rose in value, in the first half of 1959, by some 25 per cent over the level of the corresponding period of 1958. Thus, they had not yet regained the level of 1957. The 1959 increase was uneven, however, reflecting the pattern of industrial expansion in Japan: imports of scrap iron and non-ferrous metals showed the largest increase (by 55 per cent), followed by rubber (47 per cent) and wood (32 per cent). The Federation of Malaya, Indonesia and the Philippines were the major beneficiaries on this score within the region. On the other hand, rice exporting countries as a group suffered a drastic decline by some 40 per cent in their exports of rice to Japan, following its bumper rice crop; Japanese cotton imports lagged behind the recovery in the cotton textile industry. Its trade with mainland China came virtually to a standstill.

Imports from North and South America also increased (by 2 per cent). The small increase (by 2 per cent) in imports from the United States together with the large increase in exports drastically reduced Japan's customary import surplus with that country; in the third quarter of 1959, the surplus was nearly eliminated for the first time since the war.

The roughly parallel increases in the values of exports and imports resulted in a trade deficit of 195 million dollars, in the first half of 1959, slightly higher than in the corresponding period of the previous year (188 million dollars), and in contrast to much larger deficits in nearly all other postwar

years. It is too early to judge whether this improvement of the trade balance has become a permanent feature of the Japanese economy. A large part of it is due to favourable terms of trade, and the volume of imports may have been less than "normal" because of a relative decline in stocks of raw materials. Both these factors may not last, and the problem of maintaining a trade deficit within reasonable bounds at high levels of output may reappear. Furthermore, the expansion of exports may be less smooth than in the past, if only because the sudden rapid growth of exports to the United States is viewed with some misgiving in that country: requests for protective measures against "cheap wage goods" have recently been made, in spite of self-imposed voluntary restrictions reducing exports of commodities such as cotton cloth and canned fish.

In the meantime, Japan's official gold and dollar reserves rose, aided also by dollar receipts from the United States special procurement of supplies and services which amounted to \$229 million during the first half of 1959. Rising steadily from \$455 million¹ in September 1957, the lowest level since 1950, they reached an all-time high of \$1,209 million in September 1959 (and continued rising in October), or the equivalent of more than four months' imports at the rate of the first half year of 1959. This improvement occurred notwithstanding repayment to the International Monetary Fund (IMF) in the second half of 1958 of \$125 million which Japan had drawn in the third quarter of 1957, and a further payment of \$62.5 million in accordance with the doubling of its IMF quota in September 1959. Encouraged by these developments and prompted by their trade partners in GATT, especially the United States and Canada, Japan took various steps towards the liberalization of trade and payments. These measures include the partial liberalization of spot transactions in dollars and a reduction of discrimination against imports from the dollar area. In November, a broad programme of trade liberalization was announced. Discriminatory import restrictions on four dollar area items were to be lifted in January 1960, and on the remaining six items some time later in 1960. General import restrictions on 177 items were to be eased as from January 1960. Furthermore, a record allocation was made for imports during the half year period October 1959-March 1960, which at \$2,328 million was 15 per cent larger than in the previous six months. However, the share of liberalized imports even now

¹ Excluding Ministry of Finance holdings with Japanese Commercial Banks, and Open Accounts balances (which were heavily affected by the writing off of the balance of 171 million dollars with Indonesia in 1948), as well as all Commercial Bank holdings.

does not exceed one-third of total imports, as compared with more than 90 per cent in most western European countries.¹

EXPORTS OF ECAFE PRIMARY EXPORTING COUNTRIES

Most primary exporting countries of the region shared in the renewed expansion of world trade during 1959. The main exceptions were the traditional rice exporters of the region and Pakistan, whose exports in the first half of 1959 were below the corresponding period of 1958, but recovered later in the year (see table 5 and chart 1). In Pakistan, the slack in exports was due to smaller volumes of jute and cotton exports, as well as lower prices of cotton. Favourable harvests in rice-importing countries confronted the four rice-exporting countries of the region with shrinking markets for their principal export item, although the exports picked up in the second half of the year. In Cambodia and Thailand the upturn in rubber exports helped to compensate for the decline in rice exports. Singapore appears to have suffered in its

entrepôt trade from import reductions in Indonesia and from the gradual development of direct export trade by Indonesia and the Federation of Malaya.

The increase in exports, as well as the exceptions mentioned above, may be explained in terms of exports of major commodities (see table 6). On the basis of a comparison of the first half of 1959 with the corresponding period of the previous year, the exports of the region increased in volume for rubber, iron and manganese ores, petroleum products and jute manufactures, but decreased for other agricultural commodities, tin and cotton fabrics. If price changes between roughly the same periods are also taken into account (price increases for rubber, copra and cotton fabrics were particularly sharp), the value of exports of most commodities appears to have increased, with the exception of cotton, raw jute, sugar, tea, rice and tin.

The terms of trade of individual countries varied greatly, depending on differences in the commodity composition of their exports, and to a lesser extent of their imports. The available national statistics indicate that they improved for most countries, except Pakistan (with its heavy dependence on jute and cotton), and China: Taiwan (which devalued its currency in April and November 1958).

Table 5. ECAFE Countries: Value of Exports, 1957-1959
(Million dollars)

	1957	1958	1958		1959		Percentage change in 1959 over corresponding period of 1958	
			1st half	3rd quarter	1st half	3rd quarter	1st half	3rd quarter
Total	9,563	8,938	4,293	2,220	4,664	...	+ 8.6	...
British Borneo	313	301	141	78	155	...	+ 9.9	...
Burma	230	193	106	46	99	68	- 6.6	+47.8
Cambodia	52	53	28	13	27	16	- 3.6	+23.1
Ceylon	353	359	154	105	175	92	+13.6	-12.4
China: Taiwan	148	156	88	35	94	24	+ 6.8	-31.4
Federation of Malaya — Singapore	1,363	1,217	618	287	654	378	+ 5.8	+31.7
Hong Kong	529	524	246	128	258	148	+ 4.9	+15.6
India	1,379	1,216	542	343	564	357	+ 4.0	+ 4.1
Indonesia	969	755	322	205	431	207	+33.8	+ 0.6
Iran ^a	110 ^b	111 ^b	59	22	53	...	-10.2	...
Japan	2,858	2,877	1,391	688	1,541	884	+10.8	+28.4
Korea, southern	22	16	7	4	10	5	+42.8	-31.1
Laos	1	1	—	—	—	—	—	—
Pakistan	358	302	160	55	141	71	-11.9	+29.1
Philippines	432	493	230	130	269	167	+17.0	+28.4
Thailand	365	309	170	72	167	91	- 1.8	+26.4
Viet-Nam, southern	81	55	31	9	26	22	-16.1	+144.4
Total (excluding Japan)	6,705	6,061	2,092	1,532	3,123	...	+ 7.6	...

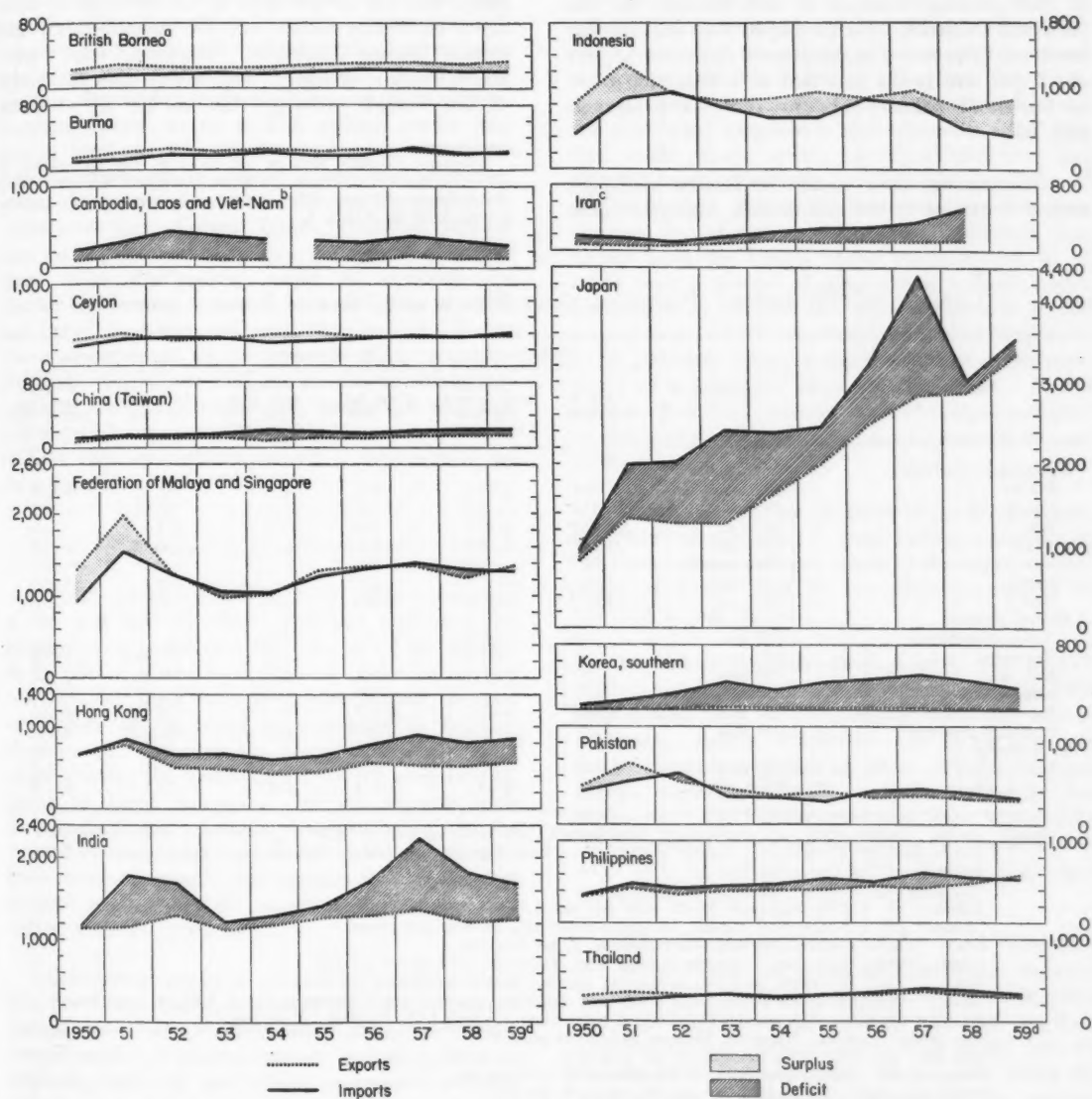
Source: International Monetary Fund, *International Financial Statistics*, United Nations, *Monthly Bulletin of Statistics*, and national sources.

^a Excluding petroleum exports.

^b Years beginning 21 March.

Chart 1. ECAFE Countries: Imports, Exports and Balance of Trade

(Millions of US dollars)



^a Total foreign trade of Brunei, North Borneo and Sarawak, including trade between these territories.

^b For 1955-1959, including trade between the three countries, from June 1955 onwards southern Viet-Nam only.

^c Years beginning 21 March, excluding imports by petroleum companies and exports of petroleum.

^d Annual rate based on first nine to eleven months.

For the primary exporting countries of the region as a group the terms of trade have improved since 1958. The average export price of these primary products increased by 4.6 per cent between the first half years of 1958 and 1959. It should also be noted that it was considerably higher in the second quarter of 1959 than in the first—to some extent a reflection of the growing strength of the recovery in the industrial countries. On the import side, on the other hand, world prices of manufactures decreased slightly (by 2 per cent in the first half of 1959), and prices of important primary imports such as foodgrains also fell.

To augment their supply of foreign exchange, several countries in the region took measures speci-

fically to increase exports.¹ The most comprehensive export incentive system put into effect in 1959 was Pakistan's Export Bonus Scheme of 15 January. This applies to all exports except the traditional raw materials; it provides that bonus entitlement vouchers will be issued for 40 per cent of the f.o.b. value of exports of manufactures (other than of cotton or jute), and for 20 per cent of the earnings of other items (including cotton and jute manufactures) and certain service industries (shipping, ship repair, aircraft repair, salvage). One month after the receipt of the foreign exchange, the holders of vouchers,

¹ General measures such as the exchange rate adjustments in Laos (October 1958), China: Taiwan (April and November 1958) and Indonesia (August 1959), acting on both exports and imports, are discussed in chapter 3.

Table 6. ECAFE Region: Production, Gross Exports and Prices of Export Commodities

Commodity	Unit	Production		Gross exports		Prices ^a	
		1959 or 1958/59	Change over preceding year (per cent)	First half of 1959	Change over first half of 1958 (per cent)	First half of 1959	Change over first half of 1958 (per cent)
Agricultural products							
Rubber	1,000 tons	883	+17.6	921	+25.4	92.73	+21.6
Cotton	1,000 bales	5,933 ^b	— 6.7	551	—14.6	25.88	—14.1
Jute	1,000 tons	2,028 ^c	+14.6	357	—31.5	113.6	—
Sugar	1,000 tons	11,230 ^d	+ 0.7	1,132	— 2.0	30.08	—14.3
Tea	million pounds	787 ^e	— 2.4	383	— 5.7	2.15	—10.0
Copra	1,000 tons	1,463	+ 3.0	306 ^f	—12.8	268.8	+40.5
Rice	1,000 tons	84,675 ^g	+10.9	1,603	—16.4	46.7	— 9.0
Mineral products							
Tin-in-concentrates	1,000 tons	34	—13.4	12	—14.3	...	...
Tin metal	1,000 tons	20	—21.8	21	—19.2	397.59	+ 9.0
Iron ore	1,000 tons	7,354	+30.8	3,388	+30.4	40.00	— 6.5
Manganese ore	1,000 tons	...	...	537	+ 3.9	162.99	+ 6.6
Petroleum, crude	1,000 tons	6,830 ^h	—37.6	6,037	+ 2.1	178.60	+ 2.6
Petroleum products	1,000 tons	3,147 ^h	+ 5.4	5,799	+13.4	442.11	+ 1.9
Manufactures							
Jute products	1,000 tons	639	+ 2.1	375	+23.0	42.3	+ 1.2
Cotton fabrics	million metres	4,188	+ 0.1	904	—11.8	50.3	+17.8

Source: United Nations Food and Agriculture Organization, and national sources. Cotton production—from International Cotton Advisory Committee. Rubber production—from International Rubber Study Group. Tea production—from International Tea Committee.

^a The following prices are quoted:

Rubber: No. 1 RSS, Singapore, Straits cents per pound.

Cotton: 289 F Punjab SGF, Karachi, including export tax, US cents per pound.

Jute: Raw, Pakistan mill first, c & f Dundee, £ per long ton.

Sugar: Cuba, f.o.b., No. 4 contract at New York Exchange, US cents per pound.

Tea: Leaf, for export, all types, at Calcutta auctions, Rupees per pound.

Copra: Philippine copra at European ports, bulk shipment, nearest forward shipment, c & f, US\$ per long ton.

Rice: Thailand white rice, 15-17% broken, government standard, f.o.b. Bangkok, £ per ton.

Tin metal: Ex-works Singapore, Malayan dollars per picul.

Iron ore: Fo, 60%, f.o.b. Calcutta, Rs per long ton.

Manganese ore: India, export price, Visakhapatnam, Rs per long ton.

Petroleum, crude: Indonesia, unit value of export, Rs per ton.

Petroleum products: Indonesia, export unit value of benzine and gasoline, Rupiah per ton.

Jute products: Hessian cloth, 10½% oz 40", domestic export price at Calcutta, Rs per 100 yds.

Cotton fabrics: Japan, export price f.o.b., heavy shirting S/2003 grey 38", yen per yard.

^b Refers to August-July.

^c Refers to July-June for India and Pakistan only.

^d Refers to September/August.

^e Refers to Jan-Aug for Ceylon, China (Taiwan), India, Indonesia and Pakistan only.

^f Refers to crop year.

^g Excluding Iran.

^h Refers to January-March for China (Taiwan), Indonesia, Pakistan and Sarawak only.

ⁱ Copra and coconut oil, in terms of oil.

which are freely transferable, may apply for licences to import goods from a certain schedule which have a validity of six months from the date of issue. Portions of the bonus may also be used within certain limits for business travel or for the officially approved opening and maintenance of foreign branch offices.

India continued its programme of encouraging exports. Thus it facilitated imports of raw materials for export industries, liberalized export quotas, gave rebates on rail transport, and permitted drawback of customs duties and excises on export commodities. Southern Korea set up a \$7.5 million export promotion fund to make short-term loans to exporters and manufacturers of export goods; this, however, seems of minor importance in view of the magnitude of its trade gap. China: Taiwan abolished harbour dues on exports and simplified the refund of export taxes. The Philippines, while it scrapped the "barter" of export products allowed under a 1955 law (which had been variously described at different times as a means of overcoming other countries' payments restrictions and as an export incentive), passed a new law allowing the "barter" of marginal exports. Like its predecessor, this law was expected to have little quantitative impact if kept within the same bounds.

INDIVIDUAL COMMODITY TRENDS¹

World consumption of *natural rubber* increased in the first half of 1959 by 9 per cent over the corresponding period of 1958. A rise by 22 per cent in the offtake of the United States (down by 10 per cent in 1958) and continuing high buying in most other parts of the world were responsible for this development. Although the United Kingdom's gross imports during the first half of 1959 fell considerably, owing to lesser re-exports, its net imports were fractionally higher. Offtake of natural rubber by the Soviet Union and mainland China varied considerably from month to month, but appears to have totalled 174,000 tons—about the same as during the first half of 1958 (171,000 tons).

Commercial stocks in consuming countries (outside the Soviet Union, mainland China and eastern Europe) have fallen continuously. At mid-year 1959, over-all stocks of natural rubber, including those in producing countries and afloat, represented a lower ratio to consumption than at any time in the current decade.

In 1958, prices of natural rubber continued their decline until by May 1958 they had fallen somewhat below that of the main competing synthetic type.

¹ The trade in rice is discussed with imports; see pp.33-35 below.

Thereafter, heavier buying due to the industrial expansion programmes in the Soviet Union and in mainland China, prospects of a revival in the United States, and political developments in the Middle East, caused a recovery, and the price of natural rubber rose well above the main comparable synthetic type. After a sudden high peak had been reached in May 1959 prices declined somewhat in June, when it became known that the United States Government was considering the release of some of its natural rubber stockpile, but picked up again since July 1959. A concerted announcement from the United States and the United Kingdom in mid-September stated that they would release, over a period, 470,000 tons and 100,000 tons, respectively, of strategic stockpiles of natural rubber. Some of the uncertainty has been removed by official announcements indicating that release from the United States stockpiles are to be made over a period of nine years, without undue disturbance of markets, and will be limited to 50,000 tons up to June 1960; similarly, the rate of liquidation of the United Kingdom stockpile would be increasingly restricted if prices fell below specified levels. At any rate, the New York price for natural rubber continued to rise, reaching 41 cents per pound towards the end of the year.

Mainly as a result of these price developments, the share of synthetic in total rubber consumption has risen in the world as a whole to the unprecedented figure of 41 per cent by June 1959 as against 38 per cent a year before.²

In line with these developments, the ECAFE region's net exports of natural rubber, which in 1958 had showed only an insignificant increase, rose in the first six months of 1959 by some 25 per cent over the corresponding period of 1958. All the principal rubber exporting ECAFE countries shared in this expansion. The highest quantities were exported by the Federation of Malaya (chiefly to the Soviet Union, with large quantities also to the United States and the United Kingdom) and by Indonesia.

Whereas *tea* production of the world (excluding the Soviet Union and mainland China) was expected in 1959 to be about the same in volume as in 1958, the high level of world trade in 1958 has not been matched so far. Exports from India in the first six months of 1959 were nearly 25 per cent below the level of the corresponding months of the previous year, and shipments from Pakistan and Indonesia were also lower. Ceylon, on the other hand, was able to export about 13 per cent more than in the first half of 1958. The United Kingdom imported

² Some synthetic rubber is also being produced and consumed in the Soviet Union, but the amount is not known and therefore not included in the world ratio quoted.

10 per cent less tea in the first half of 1959 than in the corresponding period of the previous year—lower imports being supplemented from stocks, while continental European importing countries continued to cover their requirements at about the same rate as in the first months of 1958. Since available import figures for non-European countries cover in general not more than the first three or four months of the year, it is too early to draw any useful conclusions on the volume of world imports in 1959.

The seasonal trend of prices showed a 10 per cent decline in the first half of 1959 from the first half of 1958. Less active demand and the lack of outstanding quality tea on offer resulted in a generally narrower price margin between high- and low-quality teas, and in auction prices which were lower than in 1958, especially in London. However, later in 1959, prices firmed, and in September, the London prices for all teas, at 61.2 pence per pound, were 8.7 per cent higher than a year earlier.

Following the example set by India in 1958, Ceylon introduced changes in its export duty as of 1 June 1959, in order to promote the export of lower- and medium-quality tea, and to make it more competitive with African supplies. Renewed interest in regulated marketing was evident in the discussions in late 1958 between Indian and Ceylonese growers' organizations.

The low level of world *copra* and *coconut* oil production and trade in 1958 continued during the first half of 1959, but following the improvement in second half, world *copra* output for the whole of 1959 was expected to be better than in 1958.

Compared with January-June 1958, shipments¹ of *copra* and *coconut* oil from the Philippines declined by 38 per cent. However, from June 1959 onwards, definite signs of recovery appeared, and *copra* shipments in the third quarter exceeded those in the first half of the year. As rainfall was somewhat lower than average in the last quarter of 1958, this may still slow down the improvement of trade in the last quarter of 1959. In Ceylon, owing to more favourable weather in 1958 and the cumulative benefits of the fertilizer scheme, exports of *copra* and *coconut* oil in January-June 1959 more than doubled as compared with the first half of 1958. Indonesian shipments in the same period are reported to have increased by 26 per cent, although a ban on *copra* exports was imposed, from March to July, in order to ensure supplies for domestic use in Java from surplus producing islands.

¹ All export figures refer to indigenous exports (as distinguished from re-exports) unless otherwise stated. Indigenous exports include only *copra* and *coconut* oil produced within the exporting country. Oil produced from imported *copra* is excluded.

For the first time since 1956, the combined trade of the Federation of Malaya and Singapore showed a net deficit in *copra* in terms of oil equivalent. Despite the attractive export price of *coconut* oil, Malayan millers were probably reluctant to let working stocks of *copra* fall, partly because of reduced domestic production, but also because of the uncertainty of future supplies from Indonesia. Although *copra* output in North Borneo was maintained in 1959, exports were reduced, as imports from the Philippines and Indonesia for re-exports were one-quarter lower.

World import demand was strongly sustained during most of 1959, probably because the shortfall in supplies available to non-producing countries was greater than could be easily made up by the use of substitutes. Prices rose to peak levels in May 1959, but at the end of the month fell overnight by 20 per cent on news of the United States decision to discuss the timing of sales of its stockpile of *coconut* oil. No actual sales had been made by October, and in the continuing scarcity situation, prices had by then regained a good fraction of the loss.

The improvement in *copra* and *coconut* oil exports is expected to continue into 1960 with full recovery in the Philippine output by mid-year, barring unforeseen setbacks. Good crops are forecast in Ceylon and most southeast Asian areas, where weather conditions have been much better in 1959. At the same time, total supplies may be easier because of sales of *coconut* oil from the United States stockpile to domestic users. If sold as planned, such sales in 1960 would be equivalent to about 20 per cent of United States domestic use of *coconut* oil, or about 10 per cent of that in western Europe.

World *sugar* production in the crop year September 1958-August 1959 continued its upward trend and set a new record at an estimated 39.3 million tons,² excluding mainland China, Soviet Union, and eastern Europe (and at 49.3 million tons including these countries), or 10.5 per cent more than in the previous year. The volume of world exports in 1959 did not follow this expansion of output. Mainly because of increases in production in major importing areas, the volume of trade was considerably lower in the first half of 1959 than in the corresponding period 1958, although some improvement was reported for the second half of the year. ECAFE exporters did not all share in the decline, however. Of the two major exporters, exports of China: Taiwan were higher, and of the Philippines lower, in this period than a year earlier, while the marginal exports of India increased and those of Indonesia dwindled away.

² All figures quoted are in terms of centrifugal sugar, raw value.

As supplies were ample in 1958/59 and the level of world stocks remained high, the world price—Cuba No. 4 contract—fell. The decision of the International Sugar Council (ISC) in February 1959 to reduce export quotas had little effect and prices continued to fall. However, after drought in Europe and a further decision by the ISC to reduce the pressure of supplies (which allowed exporters to carry into 1960 the unused part of their export quotas) prices started to recover and the September 1959 average was 3.09 cents per pound, as compared with 2.66 cents in July 1959 (and 3.50 cents in July 1958).

The latest European beet crop estimates are fairly pessimistic, following the long, hot and dry summer in many countries. Indications are that in 1959/60 world production is likely to be slightly lower and carry-over stocks are estimated to decline. World sugar prices are, therefore, likely to be more firm during 1959/60 than during the past year. Much will depend on the size of the Cuban crop; but the decline in European production is likely to have some influence on prices. In the Far Eastern region, the crop appears to be normal, but import demand may be higher owing to rising consumption. Indeed, consumption is continuing to rise in all major regions, and for the world as a whole, and will probably be at least 3-4 per cent higher than in the previous year.

World trade in sugar continues to be divided, however, into the two compartments of the preferential markets (such as in the United States, the United Kingdom, France, Portugal) and the free market. Prices in the latter, discussed above, are more vulnerable to fluctuations in demand; they are relevant, in the region, mainly to exports from China: Taiwan, India and Indonesia. Exports from the Philippines, on the other hand, are supported by a preferential market in the United States, with prices more or less stabilized at higher levels.

The large increase in the *jute* crop of 1958/59 in India and Pakistan caused a sharp reduction in prices in the second half of 1958. The fixing of minimum export prices in Pakistan in October 1958 and the decision of the Indian Jute Manufacturers' Association in January 1959 to purchase 4½ months' requirements of their member mills, supported the price level, however, and in May 1959 the price was back at the level of May 1958. Since then there has been a new decline.

The large crop in India—and constant volume of domestic mill consumption—made possible for the first time since 1950 a lifting of the ban on exports. The relatively low quality of the fibre available for exports and the heavy export duty have, however, discouraged large-scale shipments. Exports from Pakistan amounted, in 1958/59, to 741,000 tons, 16

per cent below the level of the previous season; its domestic consumption increased by 17 per cent. The decline occurred mainly later in the season; in the first half of 1959 exports were 32 per cent below the level of the corresponding period of 1958. In the third quarter, exports recovered sharply, however, and were more than 50 per cent higher than a year earlier.

World consumption of *cotton* in 1958/59, excluding the centrally planned economies, increased slightly. With continuing active demand from the centrally planned economies, disappearance exceeded production for the third successive year. Stocks on 1 August 1959 were 6 per cent lower than on 1 August 1958, and were at their lowest level since 1953. The increase in consumption in the United States and the resumption of an upward trend in western Europe and Japan in 1959 materially affected the stock situation.

In Japan, the largest raw cotton importer of the region, production of cotton yarn was under control in 1958 and imports of raw cotton fell by 8 per cent in August-March 1958/59 from the same period of 1957/58. The situation changed radically, however, in the second and third quarters of 1959. Consumption rapidly rose from a low of 176,000 bales in January to over 217,000 bales in September. In August 1959, moreover, it was decided that the proportion of cotton spindles frozen should be reduced from 27.5 to 25.5 per cent during the last quarter of 1959.

In India stocks were lower than they had been for many years. Since the end of 1958, cotton consumption in India had been running consistently higher than a year earlier, and consumption for the whole season was likely to be above the 1957/58 level. Since May 1959, the production of cloth showed advances on 1958, although volume of cloth exports for the first half of 1959 was considerably lower (by 19 per cent) than during the same period of 1958. Exporters reported better prospects in the second half of the year.

World cotton exports, excluding the centrally planned economies, showed a decline by 9 per cent from those in 1957/58 and by 20 per cent from the record level of 1956/57. But the bulk of the 1958/59 decline was in exports from the United States, which were down 51 per cent from 1957/58,¹ while exports from other countries rose by 30 per cent.

The divergence between exports from the United States and the rest of the world (excluding the centrally planned economies) reflected larger exportable world supplies, weaker foreign demand, and

¹ The U.S. Government, while supporting its domestic cotton prices at above the world market levels, did not adjust its export price until August 1959.

price advantages of foreign cotton over most United States qualities. Since April 1959, world prices of medium staples have remained fairly stable, while prices of long staples continued their recovery from the low point reached in March 1959; only United States prices dropped by 4 to 5 cents, as a result of the increased rate of export subsidy.

Cotton exports from the primary exporting ECAFE countries, as a group (excluding mainland China), also rose in 1958/59 because of the large increase (by 36 per cent) of exports from India. Exports from other countries of the region declined, however. Pakistan's exports were slightly lower in 1958/59 and the destinations of its cotton exports changed radically. Exports to centrally planned economies increased, with exports to mainland China more than doubling, on the basis of barter deals, while shipments to western Europe dwindled. Iran's exports of raw cotton also decreased, by 10 per cent in 1958/59, in an effort to meet the requirements of its growing domestic industry. Afghanistan's 1958/59 exports are estimated to be one-sixth smaller than in the previous year.

The increase in cotton exports of the region in 1958/59 was achieved, however, during the early part of the season. Its exports during the first six months of 1959, on the other hand, were 15 per cent lower than a year earlier, reflecting a decline of 9 per cent in exports from India and of 28 per cent from Pakistan.

The volume of *mineral exports* of the primary exporting countries of the region fell between the first quarter of 1958 and 1959, although later on there was a sharp recovery. Exports of *iron ore* which were abnormally low (except from India) in the first quarter of 1958 rose sharply, however, mainly from the Federation of Malaya, India and the Philippines. Their combined volume of *petroleum* exports declined, drastically from Indonesia, in the first quarter of 1959, but recovered since. Prices, however, remained lower than in 1958 in line with the price adjustment in oil made by the major producers in the Middle East (and the Caribbean). World supplies appeared to be ample, for the time being, and import restrictions in the United States put additional pressure on outside oil producers. During the first half year of 1959, world production of crude oil reached a record level of 422 million tons, an increase of 11.3 per cent over the previous year, as compared with an increase of 7.8 per cent in the ECAFE region. This rate of increase was rather above the expansion of demand of more than 5 per cent in 1959, which may reach in the next year once again the "customary" rate of 7 per cent per annum. Consequently, competition in the interna-

tional oil market increased and it seemed unlikely that crude oil prices would advance much beyond the prevailing levels after the heavy cuts in the beginning of 1959. As a result of these adjustments, it appears that oil prices in the Middle East (and in the Caribbean) are no longer geared to those in the United States, as used to be the case in the past. Thus, prices are likely to be lower than they otherwise would have been owing to the difference in supply-demand situation in the United States, and in the rest of the world. This may involve some loss, in terms of price, for the oil exporting countries of the region, although they may gain from a more rapid rate of expansion of production. At any rate, the oil importing countries of the region would thus benefit from relatively low oil prices.

Since the *tin* crisis in September 1958, when the buffer stock of the International Tin Agreement had to stop operation for lack of funds and the price dropped to £640 per long ton, recovery had been steady, and, by the end of February 1959, prices had increased to £780 per long ton. The recovery was aided by the understanding with the Soviet Union, which agreed to limit its exports to 13,500 long tons in 1959 (and later indicated observance of the same ceiling in 1960), as compared with 17,200 long tons in 1958.¹ Following this the United Kingdom, the Netherlands and a few minor consuming countries lifted restrictions on imports of tin from the Soviet Union and other centrally planned economies imposed in August 1958. Export quotas under the Tin Agreement were gradually raised from 20,000 long tons in the first quarter to 30,000 long tons in the last quarter of 1959 or, in other words, from 52 to 78 per cent of actual exports during the base year ending September 1957. Even so, 1959 exports under the Agreement amounted to less than 98,000 long tons, and including exports from the Soviet Union and non-member countries to 122,000 long tons. The buffer stock had to provide the difference, and was expected to be down to 10,000 long tons at the end of 1959. In those conditions, quotas were further raised to 36,000 long tons (or about 95 per cent of the basic volume) in the first quarter of 1960. Tin prices, in the meanwhile, hovered in the range of £790 to £795 per long ton for most of 1959, maintained at this level by the selling operations of the buffer stock, and there seemed to be no reason to expect any great change in the near future.

Exports of *manufactures* from the primary exporting countries of the region have also recovered (see table 7). As far as can be judged from the data available at the time of writing, the value of

¹ Exports of tin metal from mainland China and Poland to countries other than the centrally planned economies amounted to an additional 2,000 long tons in 1958.

Table 7. Selected ECAFE Countries: Exports of Manufactures*
(Million dollars)

Country and major items	1957	1958	1958 1st half	1959 1st half
China: Taiwan	6.9	15.0	4.5	12.4
of which: Textiles	2.7	2.3	0.5	4.8
Cement	—	4.0	1.3	1.2
Federation of Malaya—Singapore	112.3	121.9	67.4	48.7
of which: Textiles	25.5	39.0	23.0	11.5
India	527.6	467.5	212.6	232.9
of which: Textiles	429.3	385.1	172.4	184.2
Leather	45.3	38.3	18.7	26.0
Pakistan	43.5	31.0	13.5	30.8
of which: Textiles	38.1	26.6	11.0	28.4
Philippines	9.8	14.8	4.9	12.3
of which: Wood and cork manufactures	3.7	9.4	2.4	9.5
Textiles	2.7	2.7	1.3	1.6
Total countries listed above	700.1	650.2	302.9	337.1

Source: National Statistics.

* Approximating as far as possible to SITC sections 5, 6, 7 and 8, but excluding base and precious metals.

exports of manufactured goods in the first half of 1959 was about 11 per cent higher than in the corresponding period in the previous year. In India, which alone accounts for more than two-thirds of exports of manufactures from the primary exporting countries of the region, such exports showed an increase of 9 per cent after the sharp fall in 1958. The smaller exporters have fared much better, however. Manufactured exports from China: Taiwan and the Philippines continued their rapid expansion, as in 1958, and were some two and a half times as high. In Pakistan, where manufactured exports had declined in 1958, they were in the first half of 1959 at double the rate of 1958, and considerably higher than in that of 1957. In Malaya (Federation and Singapore), on the other hand, the decrease in exports of manufactures reflected a smaller transit trade through Singapore.

IMPORTS OF ECAFE PRIMARY EXPORTING COUNTRIES

Imports into the primary exporting countries of the region continued, on the whole, to decline in the first half of 1959, although at a much lower rate than before. Between 1957 and 1958 these imports had fallen by 12 per cent, while the decline between the first half years of 1958 and 1959 was 5.7 per cent. In the third quarter of 1959, the trend appears

to have been reversed, however, and imports were higher—in most countries substantially so—than a year earlier (see table 8 and chart 1).

The cuts in imports of the primary exporting countries of the region between the first half years of 1958 and 1959 were not equally distributed. Imports from western Europe and Japan still increased somewhat, while imports from North America were reduced by some 10 per cent. It should also be noticed that imports from each other fell more than their over-all imports—a fact already commented on above.

The fall in imports between the first half years of 1958 and 1959 was particularly sharp in Cambodia, Indonesia, southern Korea, Laos and Pakistan, in all of which imports were reduced by 25 per cent or more; in the Philippines and southern Viet-Nam, the reduction, although substantial, was somewhat smaller, amounting to 17 and 13 per cent respectively. On the other hand, a few countries or territories such as British Borneo, Ceylon, China: Taiwan, India and Iran increased their imports even in the first half of 1959.

Various factors affected these changes in imports. In the traditional rice exporting countries—Burma, Cambodia, Thailand and southern Viet-Nam—and also in Pakistan, falling exports reduced the demand for imports. The decline in imports was intensified by tighter import restrictions, which were relaxed, however, in Burma and Pakistan, later in the year.

Table 8. ECAFE Countries: Value of Imports, 1957-1959
(Million dollars)

	1957	1958	1958		1959		Percentage change in 1959 over corresponding period of the previous year	
			1st half	3rd quarter	1st half	3rd quarter	1st half	3rd quarter
Total	13,434	11,103	5,547	2,581	5,479	...	- 1.3	...
British Borneo	221	210	102	54	107	...	+ 4.9	...
Burma	297	204	105	52	101	54	- 3.8	+ 3.8
Cambodia	58	76	44	16	30	20	-36.4	+25.0
Ceylon	379	361	155	95	184	135	+18.7	+42.1
China: Taiwan	212	226	102	56	108	68	+ 5.9	+21.4
Federation of Malaya—Singapore . .	1,431	1,338	711	308	646	342	- 9.2	+11.0
Hong Kong	901	804	390	189	389	228	- 0.3	+20.6
India	2,243	1,815	819	381	873	400	+ 6.6	+ 5.0
Indonesia	804	513	270	120	200	112	-25.9	- 6.7
Iran ^a	368 ^b	535 ^b	225	127	282	...	+25.3	...
Japan	4,284	3,033	1,579	732	1,736	903	+ 9.9	+23.4
Korea, southern	442	378	211	83	133	78	-37.0	- 6.0
Laos	42	27	16	7	6	3	-62.5	-57.2
Pakistan	440	396	216	91	151	92	-30.1	+ 1.1
Philippines	615	562	283	126	234	132	-17.3	+ 4.8
Thailand	408	393	202	89	197	106	- 2.4	+19.1
Viet-Nam, southern	289	232	117	54	102	55	-12.8	+ 1.1
Total (excluding Japan)	9,150	8,070	3,968	1,849	3,743	...	- 5.7	...

Source: International Monetary Fund, *International Financial Statistics*, United Nations, *Monthly Bulletin of Statistics*, and national sources.

^a Excluding imports by petroleum companies.

^b Years beginning 21 March.

Although exports continued to rise in the Philippines—reaching record levels—and recovered rapidly in Indonesia in 1959, both countries tightened import restrictions. Such restrictions were necessary to prevent the inflationary internal demand from depleting foreign exchange reserves, and to regain some ground lost in this respect. The problems of Indonesia, and the measures taken to cope with them (consisting of a complex of quantitative controls, demonetization of the rupiah, cuts in government salaries and exchange rate adjustments) are discussed in chapter 3.¹ In the Philippines, demand for imports—arising from inflationary methods of financing both its development programme and (at least in some past periods) current budgetary expenditure, and further stimulated by the relaxation, early in 1958, of margin deposit requirements on imports—was curtailed by quantitative controls, combined with domestic fiscal-monetary measures on a broad front.² The fall in Indonesia's imports affected also Singapore's trade, which was further influenced by the growing direct export trade of both Indonesia and the Federation of Malaya.

¹ See pp.44-48 below.

² See pp.43-44 below.

Some other countries, such as the Federation of Malaya, experienced the lagged effects of a previous decline in exports, although in 1959 exports rose sharply and currency restrictions were relaxed. The currency area comprising the Federation of Malaya, Singapore and British Borneo, with high export earnings, had no inherent domestic reason arising from their aggregate payments position to apply quantitative restrictions, and discriminated against dollar goods only to conform to the limitations concomitant with membership in the Sterling Area. Even before the advent of external convertibility, the Federation of Malaya had announced in December 1958 that import restrictions would be removed on twenty-three items from the dollar area. After the announcement of external convertibility of sterling on 29 December 1958, the British Borneo territories placed a number of items under open general licence. In July 1959, the Federation of Malaya and Singapore announced that discriminatory restrictions on the direct import of dollar goods would cease as from 1 August. This made it possible to import directly from the dollar area those goods which previously could only be imported through Hong Kong and, according to GATT, effected a 5 to 7 per cent reduction in the cost of dollar imports. In 1958, a little

Table 9. ECAFE Region: Imports of Capital Goods
and Materials Chiefly for Capital Goods
(Million dollars)

Country	1956	1957		1958		1959
		1st half	2nd half	1st half	2nd half	1st half
India	979 ^b	653	615	483	497	528
Indonesia	297	164	151	109	77	83
Other primary producing countries ^a . .	1,401	905	885	824	762	737 ^c
Total primary producing countries ^a . .	2,677 ^b	1,722	1,651	1,416	1,336	1,348 ^c
Japan	988	1,003	829	485	441	578

Source: United Nations, *Economic Bulletin for Asia and the Far East*, Asian Economic Statistics.

^a Excluding Afghanistan, Brunei and Iran.

^b Estimate based on April to December returns for India.

^c Excluding Burma.

over half of Malaya's (the Federation and Singapore) imports from the United States and Canada came through Hong Kong. Thus, what appeared formally as a currency move was in fact a relaxation of trade restrictions leading to a reduction of import prices.

In China: Taiwan, trade controls were also relaxed as part of a gradual programme of exchange and foreign trade adjustment,¹ and consequently imports rose substantially. Imports into Ceylon, not hampered by foreign exchange difficulties, rose rapidly in 1959. India's imports also rose somewhat after the drastic curtailment in 1958, but the increase showed no sign of acceleration in the third quarter of 1959. In December, dollar discrimination was abolished for all imports other than capital goods. In Iran, imports were discouraged, in June 1959, by stricter deposit requirements on imports.

Among the most important import goods are foodgrains. As was to be expected, imports of capital goods² were curtailed more than total imports during the period of payments difficulties in the second half of 1957 and in 1958. As noted above, such imports into Japan, especially of intermediate goods and raw materials, were reduced by about one-half between 1957 and 1958, to somewhat below the 1956 level (see table 9). In the primary exporting countries of the region, the fall in capital goods imports was much less (about 18 per cent), but still more than in over-all imports (12 per cent). The decline in imports of capital goods was particularly sharp in India and Indonesia. Nevertheless, and with rare exceptions only, imports of capital goods in 1958 were not usually below the level of 1956, as they had greatly increased between 1956 and 1957. The only major exception was Indonesia.

¹ See p.44 below.

² Including materials chiefly used for capital goods.

Available data are few, but as far as can be judged from them there has been some recovery of capital goods imports in 1959, for example, in Ceylon and India. In the latter country, they remain still far below the record level reached in 1957. In Thailand, on the other hand, they continued to fall. With the improvement in the export prospects and foreign exchange positions of the ECAFE primary exporting countries during the year, further increases in capital goods imports may be expected.

FOREIGN TRADE IN CEREALS

In all but two of the Asian importing countries, rice production in 1958/59 rose to record or near-record levels. At the same time, harvests in the region's exporting countries rose also, although in some of them, they remained below the 1956/57 record level. As a result of these developments, import demand for rice in 1959 was less strong or less urgent in a number of countries of the region, while exportable supplies of rice were larger in some exporting countries, e.g. Burma and southern Viet-Nam where the postwar peak production was reached. In consequence, the exporting countries of the region were generally having difficulties in selling rice in the early part of 1959, particularly since negotiations for government-to-government contracts for 1959 were unusually protracted in anticipation, on the part of importers, of a possible reduction in contract prices. Net exports of rice from the countries of the region during the first half of 1959 fell to less than 1.8 million tons as against 2.1 million tons during the corresponding period of 1958, while retained imports into the food-deficit countries of the region totalled 1.1 million tons as against 1.7 million tons.

With the conclusion of government-to-government contracts,¹ however, rice trade recovered significantly in the second half of 1959, and the total shipments from the traditional exporting countries of the region for 1959 as a whole appeared likely to exceed, to some extent, the low level of 1958. Rice exports declined severely in Cambodia, where the crop was very poor, and slightly in Thailand. But the decrease was more than offset by the pronounced recovery in Burmese shipments and by the rise in exports from southern Viet-Nam that was facilitated partly by the financial agreement with France (in April 1959) which reopened markets in the French Community, especially in Africa. Mainland China committed itself by 1959 contracts to shipping 386,000 tons of rice (excluding exports to the Soviet Union), of

which 335,000 tons were to regional countries (235,000 to Ceylon and 100,000 to Indonesia). At the beginning of 1959, in addition, it still had to ship some 450,000 tons sold under past contracts (including the Soviet Union-Indonesia agreement). The total 1959 commitments of 836,000 tons compare with 1958 exports of about 700,000 tons (excluding shipments of about 450,000 tons to the Soviet Union). It was reported² that up to 15 August 1959 its total exports of rice had been 792,000 tons, presumably including shipments to the Soviet Union.

Import requirements of rice continued to be quite large during 1959 in Ceylon, the Federation of Malaya, Hong Kong, Indonesia and Singapore. Indonesia, in particular, appears to have remained the world's largest importer of rice, with its 1959 imports approaching or even exceeding their 1956 peak of 760,000 tons. In India and Pakistan, whose

¹ Excluding mainland China, the government-to-government contracts which had been signed by mid-1959 involved some 1,380 thousand tons of rice, of which 1,080 thousand tons were intra-regional trade, 117,000 tons were bought by the region from the United States, and 137,000 tons were sold to non-regional countries.

² *Peking Review*, No. 35, 1 September 1959, p. 15.

Table 10. ECAFE Region:^a Net Trade in and Supply of Cereals
(Million tons)

	1954-56 average			1957		1958		1959 ^b	
	Net exports	Net imports	Net exports	Net imports	Net exports	Net imports	Net exports	Net imports	
Rice, milled basis	3.3	3.3	3.8	3.6	3.1	3.8	3.4	3.3	
Wheat ^c	—	4.6	—	7.9	—	7.9	—	8.1	
Other cereals ^d	0.2	1.3	0.2	1.9	0.3	2.0	0.3	1.9	
Total ^a	3.5	9.2	4.0	13.4	3.4	13.7	3.7	13.3	
Idem excluding Japan	3.4	4.7	4.0	9.4	3.4	9.4	3.7	9.1	
Net import balance	5.8			9.4		10.3		9.6	
Idem excluding Japan	1.2			5.4		6.0		5.4	
Production	127.1			132.7		124.8		138.7	
Idem excluding Japan	114.2			119.3		111.0		124.1	
Total supply	132.9			142.1		135.1		148.3	
Idem excluding Japan	115.4			124.7		117.0		129.5	
Per capita supply (kg)	160			167		156		169	
Idem excluding Japan (kg)	156			164		151		165	

Note: Production data refer to crop year, except for wheat and barley; e.g. 1958 refers to 1957/1958. Trade data refer to calendar years.

Source: United Nations Food and Agriculture Organization, except for 1959 figures, which are preliminary ECAFE secretariat estimates.

^a Includes available data on Iran.

^b Preliminary estimates for trade.

^c Wheat and grain equivalent of wheat flour.

^d Including rye, barley, oats, maize, millet and sorghum.

rice imports declined drastically in the first half of 1959, additional imports of considerable quantities became necessary in the second half in order to curb rising prices resulting from internal distribution problems and increasing consumption. Japan's imports, on the other hand, were the smallest in ten years. The Philippines, which imported 230,000 tons in 1958, ceased importing altogether in 1959; southern Korea, once again, did not import rice in 1959. Both these countries were instead seeking outlets for some exportable surpluses. On balance, the net rice imports into the countries of the region as an aggregate appeared likely to be substantially smaller in 1959 than the high level of 3.8 million tons recorded in 1958 (see table 10).

Reflecting the changes in the demand and supply situation, export prices in both the government-to-government contracts and the free international market, which had risen moderately in 1958, generally fell in 1959 to levels slightly below those prevailing in 1957. Contract prices for Burmese and mainland Chinese rice negotiated in the first half of 1959 were up to 10 per cent lower than in 1958, and export prices of Thai rice fell by a similar proportion at the beginning of 1959. Prices of lower grades, which had been relatively high in 1958, fell more than those of better qualities. For instance, Thai export prices of high quality white rice were 8-10 per cent less than in 1958, while those of broken rice were on the average 27 per cent lower, partly because export premiums on lower grades were reduced, in the middle of 1959, as a result of a decline in sales.

In contrast with the decline in rice imports, *wheat and wheat flour* imports into the food deficit countries of the region—India and Japan, and, to a lesser extent, Pakistan, southern Korea, the Philippines and Ceylon, in that order, being the principal importers in 1958—continued large and probably expanded somewhat. Except for Japan, which alone may have imported some 2.4 million tons, a substantial part of these imports were apparently accounted for by United States Public Law 480 transactions.

Taking account also of imports of *other cereals* such as barley and maize, mainly into Japan, the region remained in 1959 a heavy net importer of cereals although its dependence on imports was apparently somewhat smaller than in 1958. Japan accounted, as in the last few years, for some 40 per cent of the total net import deficit of the region in cereals. If the large rice exports of mainland China are included, the region's import balance of cereals would be smaller, but still large. Excluding these, the small export balance of rice of the primary exporting countries of the region was more than offset by their many times larger net imports of wheat and wheat flour.

Table 10 also shows that in the region supplies of cereals—from production and imports—recovered from the sharp decline in 1958, and exceeded the previous high level reached in 1957. Even *per capita* supplies probably improved somewhat as compared with 1957.

Chapter 3

EFFECTIVE DEMAND AND FINANCIAL POLICIES

THE TREND OF EFFECTIVE DEMAND IN 1959

Aggregate monetary demand in the ECAFE region appears to have been higher in 1959 than in 1958 owing to the combined effect of more favourable weather conditions, the economic recovery of the region's main industrial trading partners, and the continuance (if at a reduced pace in certain countries) of inflationary trends. The main exceptions to this general trend were the region's rice exporters and Pakistan.

Budget deficits and higher exports, either or both, seem to have been the main factors in raising or sustaining demand in Afghanistan, China: Taiwan, the Federation of Malaya, Indonesia, Iran, southern Korea and the Philippines. China: Taiwan and southern Korea also continued to receive substantial external aid. Japan headed into another industrial boom, raised its export level substantially, and increased the rate of industrial operation to 79 per cent of capacity in June 1959, compared to 70 per cent a year previously; India enjoyed a bumper harvest (a demand-generating supply factor) and a substantial inflow of foreign aid, and also had to continue to resort to budget deficits; British Borneo experienced a rise in exports; and Hong Kong effected a moderate export recovery and stepped up its industrial activity, external services, tourism and the level of public expenditures, although there was some slowing down of construction, and also of the entrepôt trade owing to import reductions in most adjacent countries. In mainland China, in the first half of 1959, a 23 per cent increase in retail sales, an 18 per cent increase in exports, and a 30 per cent increase in urban purchasing power (including collective purchasing power) were reported; rural consumption was also reported to have gone up, giving rise to strains on domestic supplies of certain products (meat, egg products, fishery products and cotton wadding for domestic use).¹ The budgeted expenditure of the Government was planned to rise by 27 per cent over the 1958 level.²

Offsetting factors do not appear to have nullified the broad trends thus indicated. Payments deficits for the first half of the year, roughly represented by declines in gold and foreign exchange holdings, were

of minor magnitudes, except possibly in the case of Ceylon and Iran. Money supply rose in practically all countries for which data are available; the general growth in time deposits, even where it assumed considerable proportions as in China: Taiwan, was not sufficient to hold down the uptrend, and public floatation of government loans is of limited importance in the region for reasons which will be seen later. Private credit was up except in Burma and Pakistan.

The trend appeared to be different for Burma, Pakistan and Thailand where demand seemed to be either stationary or declining. Internal inflation forced Pakistan into fiscal retrenchment at a time of falling exports; this was partly counterbalanced by a bumper wheat crop in West Pakistan, the approach to self-sufficiency in sugar, and the increase in industrial output. Money supply was stabilized around the peak reached in December 1958; price and profit ceilings were imposed that same month, and the cost of living, while rising, remained, in the first half of the year, lower than in the corresponding period of 1958. Favourable harvests in rice-importing countries except in the Federation of Malaya and Pakistan confronted the rice-exporting countries, particularly Thailand, with shrinking markets for their principal export item; this signified ample domestic supplies with falling prices, and in the case of Thailand wages in rice mills had to be cut by 5 per cent. This development was somewhat compensated by the upturn in rubber and in minor export crops. In Burma, a budgetary shortfall led to the extension of more public credit and may have provided a partially offsetting internal demand factor to the decline in exports. In Burma, in fact, the indicators showed apparent inconsistencies. While money supply, commercial bank credit and budget deficits were up and imports were down from the previous year, prices fell, owing to factors reflected in the lower turnover rate of bank deposits. Among these factors were administrative measures, the sluggishness in the rice export trade early in the year, and the good harvest.

The growth of demand was, of course, not uniform throughout the region, and there was also a wide divergence in the relative significance of demand of internal and external origin as between the various countries. In certain countries, the imbalance was so great that, despite favourable external trends, the government had to resort to drastic measures in an attempt to restore some semblance of

¹ *Peking Review*, 1 September 1959, pp.12, 14, 15.

² *Ibid.*, 29 April 1959.

stability, mainly through a tightening of fiscal and monetary policies. While in some cases this may have been a response to the recovery of exports, the available evidence indicates that it was more of an effort to hold down a long-term build-up of internal monetary demand, which had grown out of proportion to the availability of real resources. Wherever it was considered too late to restrain internal demand, more radical adjustments were attempted. The nature and degree of the restraints adopted varied with the intensity of the problem of domestic monetary demand, the level of administrative practicability, and the existence of other objectives together with the purely economic ones.

FINANCIAL POLICIES FOR INTERNAL STABILITY AND EXTERNAL BALANCE

FISCAL POLICIES

Fiscal policies in the ECAFE region must be viewed against a background of fiscal dependence for revenue on consumption taxes, both on domestic transactions and imports. A rather rudimentary public administrative system makes collection of taxes on income and wealth difficult; low *per capita* income levels act as a deterrent. Further increases in domestic consumption taxes are also affected, for a reduction of private consumption in low *per capita* income areas is likely to be both painful and socially undesirable. The major avenue for fiscal restraint on private consumption generally exists in the taxation of imported goods.¹ Where internal prices of such goods are significantly out of line with their external prices, either owing to domestic inflation or more specifically because of quantitative import restrictions, governments may be able to siphon off, in the form of taxes, the windfall gain represented by the price differential. On the other hand, governments not wishing to place primary reliance on quantitative restrictions as an import-reducing measure may impose a cost restriction by placing high taxes on imported commodities.

There exists, however, an inherent policy contradiction in the use of taxes on imported goods for both revenue and restriction, requiring a careful balancing of objectives. Where revenue is the primary objective, restriction may not be achieved to any significant degree; where restriction is the primary objective, revenue may suffer. Countries that have limited foreign exchange reserves are likely to choose restriction, and tailor the tax rates and expected revenues to their foreign exchange avail-

abilities; this may sometimes lead to deficit financing and thus strengthen inflationary tendencies and contribute to a further deterioration in their foreign exchange position. Thus, the major limitations to fiscal policy on the revenue side are under-developed administrative machinery, low *per capita* incomes, and meagre foreign exchange resources. In practice, these conditions need not be found together in every case, or may co-exist with varying degrees of intensity. In extreme cases, where all these limitations are present to a serious extent, reliance on external aid may be necessary, even for ordinary domestic expenditures such as those on government consumption.

The deficiencies on the revenue side are compounded by the problems on the expenditure side. Most countries in the region face the myriad demands on their resources that arise from newly won independence, all seemingly of equal urgency and merit. As a rule, expenditures rise faster than revenues, and the shortfall in the latter is made up by monetary expansion, usually in the form of central bank credit. Practically, all ECAFE countries with the exception of Brunei, and sometimes of mainland China, Hong Kong and Japan, chronically incur budget deficits. Avoidance of central bank financing is difficult for countries without adequately developed financial institutions and even for countries that have acquired some financial sophistication, since most governments prefer the ease with which they can extract finance from central banks to the difficulties involved in going to the money market for funds. Thus, management of the public debt as an effective tool of fiscal policy hardly exists in many countries of the region.

Expenditure on defence heads the list of public consumption expenditures. This is fairly sizable for most countries in the region, and is not easy to trim as it is considered vital. It ranges from around 5 per cent in Ceylon and 10 per cent of total (current and capital) expenditure in Japan, the Federation of Malaya and the Philippines, to over 40 per cent for Afghanistan, China: Taiwan and southern Viet-Nam. Certain territories, such as British Borneo, Hong Kong and Singapore, have no, or insignificant, military expenditure, since their defence is undertaken or subsidized by the metropolitan powers. In countries such as Laos, it is provided for by foreign aid. The demands for welfare services also appear well-nigh impossible to resist. On the whole, there seems to be little likelihood of an adjustment in the consumption expenditures of governments, except perhaps where the government payroll is obviously excessive.

The main lines of fiscal action during the year under review were, therefore, the raising of revenues or the adjustment of public investment programmes

¹ Except in mainland China where taxes and profits from government enterprises contributed 84 per cent to total government receipts in 1958 and were planned to rise to 88 per cent in 1959.

to more modest levels, sometimes in combination, with a view to reducing or in rare instances to eliminating budget deficits. Success in achieving this was not uniform, as expenditures in some cases rose faster than revenues or, where both fell, fell more slowly. Where the budget deficit was chronic (as in the majority of countries), reversal of fiscal policy could not always take place at once, but had to be carried out over at least two fiscal years straddling the calendar year under review. Adjustments in public investment programmes were in certain instances made in response to foreign exchange stringency rather than to fiscal difficulties, although the latter were always round the corner.

Three examples illustrate the divergent trends in over-all fiscal adjustment. In Burma, draft estimates for 1958/59 overstated revenues and understated expenditures, and the deficit had to be recalculated

upward. For 1959/60, a moderate increase in revenues and a substantial decrease in expenditures are programmed to reduce the deficit. In Hong Kong, on the other hand, actual revenues for 1958/69 were much greater than estimated, and actual expenditures were much less, so that the actual budget deficit was substantially smaller than estimated. For 1959/60, however, revenues are again calculated to be less than the preceding year, while expenditures are estimated to be greater; the budget deficit should rise, but previous experience shows that this may not happen. In the Philippines, failure to pass tax legislation in 1958 brought about a drastic downward revision of 1958/59 revenue estimates, while expenditures fell somewhat less; an expected modest surplus thus became a fairly sizable deficit. For 1959/60, however, with the passage of the necessary tax legislation, revenue is calculated to rise faster than expenditures, and a budget surplus is forecast.

Table 11. Burma, Hong Kong and the Philippines: Adjustments in Government Revenues and Expenditures
(Million units of national currencies)

Country and currency	Year and type of account	Revenue	Expenditure	Balance
Burma (<i>kyats</i>)	1958/59 DE	1,025	1,317	— 292
	1958/59 RE	952	1,375	— 423
	1959/60 DE	971	1,268	— 297
Hong Kong (<i>HK\$</i>)	1958/59 DE	520	718	— 198
	1958/59 A	582	633	— 51
	1959/60 DE	568	752	— 184
Philippines (<i>pesos</i>)	1958/59 DE	1,203	1,197	+ 6
	1958/59 RE	1,021	1,063	— 42
	1959/60 DE	1,234	1,215	+ 19

Source: National data supplied to the ECAFE secretariat.

Comparison of trends in several countries for any given period is made difficult by differences in fiscal years. Taking into account those portions of fiscal years falling within the calendar year, it is probable that there was a rise in revenues accompanied either by a fall or a slower rise in expenditures in North Borneo, Burma, Ceylon, Federation of Malaya, Hong Kong, Pakistan, the Philippines and Singapore. On the other hand, the rise in expenditures appears to have outstripped the rise in revenues in Cambodia, China: mainland, India, Indonesia, Japan and Thailand—seriously so in the case of Indonesia. In Sarawak, a fall in revenues is expected to accompany a substantial rise in expenditures.

Specific policy measures assumed a great variety of forms, but, as was to be expected, the major new measures bore most heavily on consumption of imported goods. Southern Korea and the Philippines imposed, as a major part of their anti-inflationary programmes, additional charges on sales of foreign exchange, the former in the form of a sliding tax determined by an auction process and the latter in the form of a 25 per cent margin on transactions involving foreign exchange, with certain exceptions. The Philippines also restored previous rates on the personal income tax, raised other tax rates, and modified the income tax payment system. Singapore

announced increases in taxes on imports of petroleum and cut tobacco, and imposed a new tax on cinematographic film rentals. Thailand raised the sales tax and import duties.

There were, however, certain instances of sectoral tax relief. Hong Kong reduced or abolished certain taxes. Pakistan lightened the company tax, as well as personal taxes on the working and middle classes, and also granted a two-year holiday to firms fulfilling certain conditions in furtherance of the development programme. The need to balance its budget, however, limited its ability to effect more reductions.

As regards the adjustment of public investment programmes, India for a while had to cut down its second five-year plan to the "hard core", and subsequent restorations will probably still fall short of the original goals. In mainland China, the total government investment target was reduced by 8 per cent, and the number of above-norm projects¹ by 28 per cent. In the Federation of Malaya, the estimated budget deficit held down development funds to £15 million, of which half was for land development and the irrigation of rice lands. Iran also has had to scale down its development spending owing to a budget deficit. In Burma, where foreign exchange difficulties are more prominent, the present policy emphasis is towards strengthening existing industries rather than developing new ones, and giving priority to agriculture. Pakistan, which faces both budgetary and foreign exchange problems, is to confine its public development spending to infrastructure projects. In the Philippines, despite a much improved economic position in 1958/59, outlays for economic development were reduced, investment was encouraged to shift from the public to the private sector, and further obligations for public works were held back except for the completion of important projects already started. With the passage of strong revenue measures in 1959, a resumption of the public investment programme at or above previous levels has been scheduled for 1959/60.

Examples of adjustment in public expenditure programmes may be seen in the budgets of Burma, Ceylon, Hong Kong and the Philippines. In the case of the first two, government investment continued to rise in 1958/59, and the cutback was initiated in 1959/60. The latter two, on the other hand, were able to record reduced government investment in their revised estimates for 1958/59, and were likely to resume public investment activity at higher levels in 1959/60.

Table 12. Burma, Ceylon, Hong Kong and the Philippines: Adjustments in Levels of Government Investment
(Million units of national currencies)

Country and currency	Year and type of account	Government investment (including loans and advances)
Burma (<i>kyats</i>)	1957/58 A	294
	1958/59 DE	335
	1958/59 RE	392
	1959/60 DE	302
Ceylon (<i>rupees</i>)	1957/58 A	478
	1958/59 E	617
	1959/60 E	514
Hong Kong (<i>HK\$</i>)	1957/58 A	184
	1958/59 DE	314
	1958/59 RE	240
	1959/60 DE	322
Philippines (<i>pesos</i>)	1957/58 A	235
	1958/59 DE	265
	1958/59 RE	198
	1959/60 DE	255

Source: National data furnished to the ECAFE secretariat.

One more fiscal measure—a reform in public borrowing methods tried out as an innovation—deserves to be mentioned. China: Taiwan, starting 1 June 1959, offered two types of short-term government bonds to the public for the first time since 1949. The interest rates were high but probably realistic in view of the need to attract voluntary savings in a setting of continuous currency depreciation. Type A bonds, amounting to NT\$300 million and meant for the non-banking sector, have a 30-month maturity with 18 per cent interest per annum payable quarterly. Type B bonds, amounting to NT\$100 million and meant for the banks, have a 14-month maturity with 9 per cent interest for the whole period payable at maturity. All bonds are freely negotiable and can be used as collateral, but not as reserve against bank deposits. The successful offering represents a departure from the practice heretofore of financing government deficits by currency issue. The Government has also encouraged private corporations to offer bonds for public subscription in order to channel savings into investment. Between August 1958 and June 1959, NT\$132 million worth of 2-year maturity corporate bonds were sold, bearing interest at between 20 and 26.4 per cent; for some issues, government banks guaranteed redemption at maturity. This, too, is a departure from undiluted reliance on bank credit and a step toward the more effective tapping of private savings.

¹ *Peking Review*, 1 September 1959, p. 17. Above-norm projects refer to those exceeding the investment norm set by the state, which in the case of industry vary by branches from 3 to 10 million yuan.

By contrast, measures taken in this direction have fallen short of success in the Philippines, although favourable conditions exist for at least a beginning in market financing of government outlays. Only a small percentage of government bonds outstanding is held by private non-bank entities; the major portion is held by the Central Bank and other government financial institutions. The Government has thus been creating credit for itself at an arbitrary interest rate of 4 per cent. A departure was made in the latter part of 1958 when a suspension of Central Bank support of the par value of government bonds was enforced. An "unsupported" bond issue bearing 6 per cent but at 25 years maturity was issued to compulsory saving institutions such as the Government Service Insurance System and the Social Security System. However, no attempt seems to have been made to place the issue on the open market, and it is unlikely that there would have been a favourable reception in view of the long maturity, which offset the attraction of the higher yield. At the end of 1958, rural banks were circularized on the issue, and notified of the eligibility of the new bonds for deposit reserves, but by then "supported" bonds at 4 per cent were again being issued. The Philippines' principal method of reducing inflationary pressures from bond issues is still one of retrenchment of the projects and programmed amounts dependent on such issues. Along this line, it has over the past two or three years had some success in reducing the high rate of bond issue of the period 1955-1956.

Raising of interest rates to draw savings into government securities was tried by Burma starting 1 October 1959, when the tax-free rate of interest on Savings Certificates was raised from 3.5 per cent to 4.55 per cent per annum at compound interest, or 5-5/6 per cent per annum at simple interest on maturity value. This had a counterpart in the monetary field, where the rate of interest on savings deposits was raised from 2 per cent to 3 per cent per annum. Southern Korea has also introduced a "Bounty Incentive System" for savings deposits in order to attract private funds.

MONETARY POLICIES

Credit policies are generally less effective tools of economic policy than fiscal policies in underdeveloped countries, where financial institutions are rudimentary and where the greater part of the money supply in the hands of the public takes the form of currency in circulation rather than bank deposits. In the ECAFE region, excluding industrial Japan and entrepôt Hong Kong, net active currency typically forms between a half and three-quarters of the money supply in the hands of the public. It is over 70

per cent in mainland China,¹ Iran and Malaya (the Federation and Singapore), over 60 per cent in Burma, Cambodia, India, Indonesia, Pakistan, Thailand and southern Viet-Nam; and over 50 per cent in China: Taiwan and southern Korea. Only in the Philippines and Ceylon does the amount of currency in circulation fall a little below deposit money.

The principal weapons of monetary policy are the change in reserve requirements against demand deposits, the change in rediscount rates, and moral suasion together with selective credit measures. The expansion of financial facilities, already under way in many countries of the region, should also progressively widen the sector of the economy that can be influenced by monetary policy.

Reserve requirements against demand deposits were raised early in the year by the Central Bank of the Philippines, for the first time since its establishment, from 18 to 23 per cent. In China: Taiwan, reserve requirements were first used in July 1956 as an instrument of credit regulation. Following a lowering in August 1958, guarantee reserve ratios for commercial banks were raised again by 3 per cent on 1 January 1959 and by another 2 per cent on 1 February 1959. In Indonesia, credit restrictions by which in the early part of the year the Government hoped to offset the inflationary situation included the keeping by the central bank as statutory deposits of a large part of the reserves of private commercial banks. Japan in September imposed reserves requirements on city banks of 0.5 per cent to 1.5 per cent of demand deposits and of 0.5 per cent of fixed deposits as a warning gesture to restrict bank loans.

The monthly rediscount rate was lowered in China: Taiwan from 1.5 per cent to 1.2 per cent in November 1958, but after the credit expansion of commercial banks during the first half of 1959 was raised again to its former level in July 1959. The Philippines early in the year moved away from a single rediscount rate to a system of graduated rates, with the highest and most general one set at 6.5 per cent, or 2 per cent above the previous unitary rate. Pakistan in January raised its rediscount rate from 3 to 4 per cent.

¹ In mainland China, the cash control method was first introduced in March 1950 and subsequently extended by the Central People's Government to cover all government agencies, armed forces, state-operated enterprises and co-operatives, public organizations and state-private joint enterprises, all of which are required to deposit their cash balances (except petty cash) with the People's Bank. The control measure was further extended in May 1951 to persons who were allowed to hold not more than 100 Yuan in notes; and in June to private concerns, which were required to deposit daily with the People's Bank any amount of cash in excess of 200 Yuan and to pay for their purchases in cheques. As a result, for the country as a whole, cash is needed only for the purchase of services and consumption goods by all consuming units, and by the state enterprises to pay for agricultural raw materials not subject to state allocation.

Rediscounting was, however, temporarily eased in southern Korea, Japan and Thailand. In southern Korea, with the good harvest in the autumn of 1958, the easing of prices at the time, and the consequent diminution in demand for credit accommodation, there was less need to rely on rediscounting and the monetary authorities removed the quarterly ceiling on rediscounts and loans. Japan, not anticipating the speed and vigour of its own economic recovery, lowered in February 1959 its rediscount rate from 7.3 per cent to 6.94 per cent; as its boom developed, the rate was raised again to its previous level in December 1959. Thailand in November 1958 widened the scope of its rediscounting facilities by extending the variety and maturity of discountable bills. In October 1959, it lowered its rediscount rate from 7 to 5 per cent for commercial bills but left unchanged the rates of 4.5 per cent for treasury bills and 8 per cent for central bank loans and overdrafts.

The third main avenue of credit policy, moral suasion and selective credit measures, were resorted to by the institutionally more advanced Japan, India and the Philippines. The Bank of Japan, noting the rapidly increasing demand for industrial funds as a result of continuing business boom, warned the commercial banks to tighten their credit controls, coupled with the (already alluded to) rise in the rediscount rate. India also employed moral suasion and selective credit, and engaged in open market operations to mop up part of its excess liquidity. Pakistan employed credit measures requiring deposit against import letters of credit and curbing credit for less essential purposes. The Philippines continued without major change its selective credit policy of 1957 designed to channel credit to productive uses.

Monetary aggregates alone do not give a full picture of a country's financial progress; the building up of its financial "infrastructure" in the form of a greater number and variety of institutions also forms an important institutional aspect of monetary policy, especially in under-developed countries. Stock exchanges exist at present only in Hong Kong, India, Japan, Pakistan and the Philippines, but are being projected for Bangkok and Singapore. In the Federation of Malaya, the central bank—Bank Negara Tanah Malayu—was established on 1 February 1959 with an initial capital of M\$20 million. In Thailand and the Philippines, domestic commercial banks have increased in number and taken a rising share of the banking business—formerly dominated by foreign banks—with official encouragement and support. Country or rural banks in both countries have also increased in number and resources. Symbolic of another type of financial institution is the new development bank being established in Iran in order to finance industrial development. The Malaysian

Industrial Development Finance Ltd. is to open early in 1960. Other similar institutions to be set up are the Economic Development Board of Singapore capitalized at M\$100 million, and a development bank in Thailand. Similar institutions were already in existence in Ceylon, India, Laos, Pakistan and the Philippines.

FOREIGN EXCHANGE POLICIES

While the scope of monetary policies is fairly limited in under-developed countries, there is ample latitude for effective action in policies designed to augment or conserve foreign exchange. Almost all countries in the region have controls on foreign trade or foreign exchange of varying degrees of intensity. A choice of policy lines presents itself in the foreign exchange field. These include adjustment of exchange rate, the intensification, relaxation or modification of import and payments restrictions, and incentive schemes for export industries or for foreign investors.

The principal event in the region with regard to *exchange rate adjustment* was the drastic Indonesian devaluation of August 1959. This was, however, not an isolated move but only a part, and a minor part perhaps, of a whole complex of measures aimed at stabilizing that country's monetary and fiscal situation. China: Taiwan also completed its more gradual exchange adjustment started in 1958, accompanied by complementary measures which provided a start toward anti-inflationary public debt financing, and eased certain quantitative restrictions. A third case is the Laotian devaluation of October 1958, which, after a brief initial period of favourable reactions, continued to reflect the basic disequilibrium in its heavy dependence on external financing. All these cases are fully discussed below.¹

The intensification of import restrictions in Burma, Indonesia, Pakistan and the Philippines, and their relaxation in China: Taiwan and Japan were reviewed in chapter 2. Relaxations in discriminatory restrictions were also announced by British Borneo, Burma, the Federation of Malaya, India and Singapore, with the improvement in the dollar reserves of the sterling area.

The attempts made by the primary exporting countries of the region to promote exports by providing *export incentives* were described in chapter 2. Another important policy line for them all, and the more successful one for some, is the *attraction of foreign loans, grants and investment*, both on government and private account. Economic development programmes and growing populations signify foreign

¹ See pp.44-47 and 48.

exchange requirements beyond the present capacity of the region to provide. As will be seen in part II of this *Survey*, the region's prospects of significantly increasing its foreign exchange earnings are fairly limited; both its raw materials and manufactured goods face a slow growth in demand relative to the growth in its import needs. There is, therefore, an increasing awareness of the pressing need for foreign aid if they are to develop their economies to the point where they can reach a stage of self-sustained growth. Dependence on external aid has been a significant feature of Afghanistan, Cambodia, China: Taiwan, southern Korea, Laos, Pakistan and southern Viet-Nam. Developments late in 1958 and in 1959 placed India and Indonesia also in the same category.

Foreign aid, available to the Colombo Plan countries of the region, increased during the year 1958/59. The commitments for aid from the United States, from all sources and for all purposes, increased from 0.9 billion dollars in 1957/58 to over 1.2 billion dollars in 1958/59.¹ Excluding the Export-Import Bank loans, United States aid to countries of the region who are not members of the Colombo Plan—Afghanistan, China: Taiwan, Iran and southern Korea—totalled 0.5 billion dollars in 1958/59 as against 0.4 billion dollars in the previous fiscal year. China: Taiwan, Pakistan and Thailand received significantly more aid from the United States; India also received larger aid, though to a lesser extent; the newly independent Federation of Malaya received aid from the United States for the first time. A considerable part of the United States aid to China: Taiwan, Cambodia, southern Korea, Laos, Pakistan, Thailand and southern Viet-Nam continued to be for defence support. Loans from the Development Loan Fund which is the principal government source in the United States for investment capital were considerably stepped up; new commitments were made in China: Taiwan, the Federation of Malaya, southern Korea, Pakistan, the Philippines and Thailand. Most of these loans were for building up the economic infrastructure in these countries, but there was a noticeable departure in the form of a larger share given for plant and other capital equipment to industrial projects such as steel, cement and jute industries in India, and aluminium, cement and shipbuilding in China: Taiwan. A similar trend could be noticed also in the loans from the Export-Import Bank to Indonesia, the Philippines and Thailand.

Agricultural surplus disposals under Public Law 480 increased in 1958/59. This increase was partly the consequence of the arrangements made to cover the shortfall arising from poor harvests in the 1957/58 crop year. The arrivals of supplies in the early part

of 1959, in the wake of current good harvests both in the importing and exporting countries of the region, coincided with the difficulties experienced by some of the rice exporting countries of the region in disposing off their supplies. The situation eased in the second half of the year, when the new agreements for the sale of rice at somewhat lower prices were signed between the exporting and importing countries of the region.

The assistance from the United Kingdom, in terms of actual disbursements, also increased during the year, particularly on account of one of the three new steel plants in India, and in support of agricultural development projects in Pakistan and public utility projects in the Federation of Malaya, North Borneo, Sarawak, and Singapore.

The resources of the International Bank for Reconstruction and Development were increased during the year when member countries agreed to double the Bank's capital. In the loans agreed to by the Bank during the year, transportation yielded its predominant place to electric power development in Ceylon, the Federation of Malaya, India and Japan. India received further assistance for its railway development programme, Iran for the improvement of its roads and Japan for increased steel production.

In addition to granting direct loans, the Bank helped in 1958 in arranging negotiations for bilateral loans for India at a time of a grave threat to its foreign reserves. In March 1959, India was promised an assistance large enough to carry through its foreign exchange shortfall for the remaining two years of its second five-year plan with the participation of the Bank, the United States, the United Kingdom, the Federal Republic of Germany, Canada and Japan. The Bank also contributed substantially to the solution of the problem of sharing the waters of the Indus basin between India and Pakistan on the basis of an engineering plan involving a system of works. The Bank has initiated discussions with several governments participating in foreign aid with a view to meeting the costs of these works over and above the contributions to be made by India, Pakistan and itself.

The centrally planned economies stepped up their aid during the year. The Soviet-aided Indian steel plant went into operation, and new agreements were signed for the development of a pharmaceutical industry and for the covering of the costs of other imports of capital goods from the Soviet Union. Ceylon and Indonesia received loans from mainland China to purchase equipment for textile mills. Indonesia also received a credit from the Soviet Union.

¹ The Colombo Plan: Seventh and Eighth *Annual Reports*.

Several countries of the region made arrangements to secure resources for development through the various reparations agreements with Japan. The agreements concluded with Burma, Indonesia and the Philippines provide for a supply of products and services for economic development valued at \$973 million over a period of ten to twenty years. The actual disbursements by the end of September 1959 had reached \$189 million. A reparations agreement was also signed with southern Viet-Nam in May 1959.

Another instance of intraregional lending was Brunei's loan of M\$100 million to the Federation of Malaya. The loan is to bear interest at 3.5 per cent for the first 15 years and 4.5 per cent subsequently. A first instalment of M\$40 million was advanced in April 1959, M\$40 million will be due in April 1960, and the final balance in April 1961.

Attractions for private foreign investment are being offered by several countries of the region. North Borneo reduced its company tax from 40 to 20 per cent. Iran is attracting foreign capital to enable industrial projects to proceed independently of its seven-year plan. New legislation has been passed protecting foreign capital, and considerable tax concessions are available to foreign investors in industry. An example of what the Iranian Government hopes to encourage is the large rubber manufacturing plant being set up near Teheran at a cost of over 400 million rials, over half the capital being from the United States.

Pakistan, forced by falling exports and foreign exchange shortages to limit itself to infrastructure projects and small industries, is making special efforts to attract foreign investors in industries. Incentives to such investors include the freedom to remit profits, facilities for the repatriation of capital, relief from double taxation, and freedom from stipulations about joint participation with Pakistani capital.

Burma, in 1959, passed the Union of Burma Investment Act under which foreign investors are given guarantees (as in Ceylon) against nationalization within the first ten years. The President of the Union of Burma is also empowered to extend this non-nationalization period by a further ten years. For the first three years, no customs duty will be imposed on the import of raw materials and machinery meant for new industries.

India exercises careful selectivity in decisions to permit foreign capital to open up new plants within the country, but, once official approval is granted, every facility is extended to ensure the success of the project. For example, the Indian Government has approved the establishment, by a large United States rubber company of complete facilities for synthetic

rubber manufacture in Uttar Pradesh state. The project involves a capital of \$30 million; half of it will be provided by the United States company with the participation of United States and British private banks, while the remainder will be raised in India by floating a public company with substantial participation of Indian investors.

Thailand offers several inducements to foreign investment including exemption from import duties on machinery, tax exemption in the early stages of an undertaking, and considerable freedom to remit profits overseas. Moreover, the Land Code limiting the acquisition by foreigners of real estate to one rai (1/6 of a hectare) was amended in January 1959.¹ The Federation of Malaya is offering tax concessions to overseas investors in pioneer industries, and has signed an investment guarantee agreement with the United States. Here the objective is not so much the attraction of foreign exchange resources as the provision of technical and managerial know-how and the establishment of "impulse" industries. Subsidiaries of British companies are establishing plants for the manufacture of pharmaceuticals and automotive batteries, a joint Japanese-Malayan concern is setting up a sugar refinery, and a joint United States-Malayan firm is to set up a tyre plant.

Indonesia, the Philippines and Ceylon, on the other hand, have recently imposed increasingly severe restrictions on already existing foreign business. The two main issues in this connexion are their dissatisfaction with the economic control exercised by the nationals of their former metropolitan countries and the disproportionate share of domestic trade and industry handled by certain resident alien groups.

CO-ORDINATED FISCAL AND MONETARY POLICIES

By co-ordinating their fiscal and monetary policies, the Philippines made them pull in the same anti-inflationary direction instead of in opposite directions. Previously (except in 1951/52 when there was a balanced budget), monetary policy attempted to offset the inflationary pressures generated by government budget deficits. Foreign exchange holdings were allowed to be run down with the aim of absorbing internal money creation through an excess of international disbursements over receipts, kept within bounds only by quantitative restrictions. But foreign assets have their limits; at a certain point resort must be had to internal measures. Thus, monetary measures, including a steep rise in the rediscount rate, were taken starting in 1957, but it was soon evident that a fiscal remedy was called for. In the year under review a series of concerted moves

¹ Foreign limited companies or registered partnerships authorized by the Government as "promoted industries" are now permitted to own land in excess of one rai.

were taken, involving the further raising of the rediscount rate, the raising for the first time of reserve requirements against demand deposits, the raising of tax rates, and the reimposition (in an altered form and under another name) of a levy on sales of foreign exchange. That these measures were taken at a time of rising production and exports improves the chances of achieving the desired objectives, and enables a degree of import restraint sufficient to bring about a partial restoration of the country's foreign assets.

While the Philippines illustrates a concentrated deployment of a wide array of fiscal-monetary measures tending in the same direction, China: Taiwan is an example of a rocking readjustment, in which restrictions in certain fields are partly compensated by relaxations or inducements in others. The devaluation and unification of the exchange rate effected in April and November 1958, as mentioned in the 1958 *Survey*, imposed a cost restriction on imports and enabled quantitative restrictions to be relaxed. Exchange certificates became freely negotiable as from January 1959. More items were transferred to the list of permissible exports and imports. Consignment imports of certain commodities were allowed, and 15 items were decontrolled. For the first time since 15 March 1954, a limited number of new importers were allowed to apply for foreign exchange. Beginning this year, only the total amount of foreign exchange for import is announced for the quarterly allocations; importers may apply for any commodity in any amount within this total. As a further stimulus to exports, harbour dues were abolished on exports but raised on imports, and tax refunds on exports were simplified. These moves were implemented with a view to maintaining exchange stability, the need for which was demonstrated by the market fluctuations in the quotations for exchange certificates. As a further step to stabilize these fluctuations, internal measures were necessary. The already described floating of high-interest-bearing bonds to the public should act both as an incentive to private saving and as a cost restriction on domestic credit. While it can be regarded as a proper and necessary complementary measure to an exchange rate adjustment, it remains to be seen whether it will be sufficient to stabilize the new rate or whether the rate will continue to slide.

INDONESIAN MONETARY MEASURES

The most conspicuous move in the region during the year was the series of Indonesian monetary measures which went into effect on 25 August 1959. These involved not only a formal change in the exchange rate, but a number of related moves with objectives extending far beyond the financial field.

The principal measures taken were the following:

(1) The value of circulating bank notes of Rp 500 and Rp 1,000 denominations was reduced to Rp 50 and Rp 100, respectively, or a cut of 90 per cent in their face value. In effect, this constituted a partial repudiation or demonetization of the national currency, and had a precedent in the 1950 measure which cut in half the value of all bank notes above Rp 2.50.

(2) 90 per cent of each individual bank deposit, whether demand or time, in excess of Rp 25,000, was frozen, and was to be converted into a long-term loan to the Government. The Government, however, left open the possibility of partial or total exemption from this measure for government agencies and social and religious institutions, upon request.

(3) The export certificate or B.E. system, under which the effective export certificate rate was Rp 37.85 to the dollar (i.e., the official rate of Rp 11.40 to the dollar multiplied by 332 per cent, the value at which such certificates had previously been pegged by the Government) was amended, and a new official rate of Rp 45 to the dollar was established. The 20 per cent "export tax" (without exemptions) introduced under the B.E. system was retained on the export side, while on the import side the six categories of goods classified according to essentiality were continued, but the surcharges on three of the five less essential categories were increased: Category II from 20 to 25 per cent, Category V from 140 to 150 per cent, and Category VI from 175 to 200 per cent (Categories III and IV remained at 50 and 100 per cent, respectively). Thus, the effective export rate went up from Rp 30.3 (i.e., Rp 37.85 minus 20 per cent) to Rp 36 to the dollar (Rp 45 minus 20 per cent), while the effective import rates went up from the former range of Rp 37.85–104.2 to the present one of Rp 45–135 to the dollar. As from 5 October 1959, the buying rate for United States dollar banknotes was officially set at Rp 43.82 and the selling rate at Rp 45.79.

(4) Net salaries in state enterprises (including "taken-over firms") above Rp 2,000 monthly were slashed; only 50 per cent of any amounts over that, and not exceeding Rp 4,000 in any case, are to be paid, so that the maximum net monthly salary which can be received by a government employee is Rp 6,000. The unpaid portion of the salary is "frozen for the time being". The Government in the same announcement "suggested to private enterprises to adjust themselves to the new regulation".

¹ In effect an exchange tax, since it applies to all foreign exchange purchases rather than to commodity exports alone.

In attempting to evaluate the effectiveness of this series of moves, it should be borne in mind that this was not an ordinary devaluation intended to achieve a unitary "equilibrium" rate of exchange. From the outset the continuation of the system of effective multiple rates, characterized by a widening spread between the lowest and the highest rates on the import side, appears to have been taken for granted. Severe quantitative restrictions on imports and exchange continue. In fact, this is only the latest step in the downward slide of the Rupiah since 1947 when multiple exchange rates began, by which periodically an attempt at consolidation takes place at a given official exchange rate, followed by departures therefrom in the shape of multiple rates and export certificate rates, the formal recognition of a new official rate, at which stage the process begins all over again.

However, the precipitating factors for the Indonesian monetary measures do not appear to have stemmed from the country's foreign exchange difficulties. The export picture for Indonesia in 1959 was much better than in 1958. In the first half of the year, as compared with the first half of 1958, export earnings were 34 per cent higher, while imports were 26 per cent lower (see table 13). Total foreign assets at the end of July 1959 were higher than a year ago; this, however, is partly attributed to foreign credits, aid and war reparations.¹ From the side of external receipts and payments, the picture was not so unfavourable and there seemed to be no compelling reason for a drastic change.

The aggravating factors must, therefore, be sought in the domestic situation. The national product which, according to preliminary estimates, had been rising by 3.5 to 4 per cent at constant prices from 1954 to 1957, fell in 1958 by 12.5 per cent owing to the decline in imported raw materials and in estate production. Also apparent were the impact of the relative inexperience in management of newly nationalized foreign enterprises and the interruption of interinsular transport following the discontinuation of Netherlands shipping from coasting trade. The 1958 budget deficit of the Government increased sharply (from an estimated Rp 2.4 billion at the budget time to Rp 12 billion) under pressure from security needs, which were reported by the central bank to consume 48 per cent of the Government's rupiah income and 45 per cent of total foreign exchange receipts, and under the pressure of the large payroll of government employees numbering about a million permanent employees and a million casual workers.

Advances to the Government and money supply more than doubled between the first half of 1957 and the first half of 1959. An early attempt to siphon off money supply by issuing new government debentures was foiled by Parliament because of the tax exemptions attached to their ownership. Private credit also went up at about the same rate, but its absolute magnitude was much less. The magnitude of excess of money supply may be indicated by the fact that foreign exchange coverage of the Bank Indonesia dropped from 7.4 per cent at the end of 1958 to 6.1 per cent on 25 August 1959, as against the legal requirement of 20 per cent. Retail prices of foodstuffs in Djakarta rose by a quarter between the first half of 1958 and the first half of 1959, and nearly doubled in the latter period with reference to the first half of 1957.

It was stated that one of the reasons for the large government deficit was the presence of illegal trade in violation of export, import and domestic trade regulations, which reduced government receipts both in foreign exchange and in domestic currencies. The new monetary measures were, therefore, among others, aimed against people having such money who did not meet their obligations to pay taxes according to the existing regulations. While it might be deemed unusual to demonetize the large currency notes by 90 per cent and impose on bank deposits only compulsory conversion into loans to the Government, the official belief was that persons dealing in illegal transactions would avoid placing their money in bank deposits, liable to official inspection and investigation, but would rather hoard large-denomination currency notes. However, there is some evidence of a flight from currency in the months immediately prior to the reform,² in line with the strong expectation, in more sophisticated business circles, of a move similar to the 1950 reform, and the threat of a drastic reduction in the number of private importers.

With steeply falling imports, domestic business disorganization, declining estate production, speculative psychological tendencies leading to capital flight and a steeply rising money supply due largely to mounting budget deficits, the domestic economic situation had been highly inflationary, and the success of the monetary measures could be measured by their effectiveness in securing some stability, in the first few months after the introduction of the monetary measures (see table 14).³

² The price of rice had already fallen considerably before the measures were taken.

³ The announcement of the measures made on 24 August, to take effect from 25 August, also made it possible for some disposition of large denomination notes by the holders of such notes.

¹ In 1958 such external receipts amounted to Rp. 2,150 million, as compared with a level of less than Rp 200 million in previous years.

Table 13. Indonesia: Selected Economic Indicators, 1957-1959

Period	Exports ^a (million dollars)	Imports, c.i.f. (million dollars)	Gold and foreign exchange, Bank Indo- nesia (mil- lion dollars at end of period)	Cost of living ^b (1953=100)	Currency (net active) (billion Rupiah at end of period)	Money supply (billion Rupiah at end of period)	Claims on Government (billion Rupiah at end of period)	Claims on private sector (billion Rupiah at end of period)
1957:								
First half	407	427	193	157	10.85	15.13	17.15	4.26
Second half	504	371	224	197	14.09	18.91	20.77	4.48
1958:								
First half	322	270	177	240	15.42	21.65	24.15	5.58
Second half	427	247	217	275	19.87	29.37	30.60	6.56
1959:								
First half	431	200	195	303	22.84	32.38	35.83	8.38
July	78	47	205	323	24.25	34.0	36.68	8.42
August	59	44	207	325	25.4 ^c	35.9 ^{e d}	29.95	8.81
September	71	21	248	314	17.2 ^e	24.7 ^{d e}	...	8.90
October	78	43	241	316	21.4 ^f	...	...	10.62
November	65	41	276	317	22.8 ^g	...	31.53	...
December . . . . .	...	...	301	325	24.6 ^h	32.3 ^{d i}	31.82 ^h	...

Source: International Monetary Fund, *International Financial Statistics*, March 1960; national data supplied to ECAFE secretariat.

^a Total exports for 1957 and 1958 which were higher by \$58 and \$6 million respectively are not distributed by half years.

^b Weighted price index of 19 foodstuffs in Djakarta.

^c 24 August.

^d Estimated.

^e 2 September.

^f 28 October.

^g 25 November.

^h 16 December.

ⁱ 31 December.

Table 14. Indonesia: Index of Average Retail Prices, Djakarta, 1959
(16 August 1955=100)

Commodity	August		September	December	August 1959	22 September	8 December
	18	25	22	8	(August 1958 ^a = 100)	(25 August = 100)	(25 August = 100)
Rice	252	267	254	265	75	95	99
Beef	235	238	212	213	175	89	89
Eggs	244	242	245	240	179	101	99
Vegetables	187	191	155	155	...	81	81
Fruits	191	192	181	193	...	94	101
Coconut oils	412	421	311	404	159	74	96
Sugar, coffee and tea	201	212	183	...	153	86	...
Kerosene	117	172	149	150	...	87	87
Clothes	323	329	256	260	304	78	79

^a These, based on the statistics from the Central Bureau of Statistics, may not relate to the same price series as the previous columns, which are supplied by Bank of Indonesia.

The fiscal effectiveness of the monetary measures depended not on the measures themselves but also, and to a greater extent, on the revenue and budgetary moves that were made as a "follow-up" to them, and by the Government's actions in the interim period until the proposed fiscal measures were implemented. On the revenue side, rates were to be revised or coverage extended as from January 1960, primarily with the aim of increasing revenue of taxes such as the property tax, motor vehicle tax, radio tax, transfer tax on land and buildings, tax on agricultural products, dividend tax, corporate tax, tobacco tax, tax on alcoholic beverages, income taxes (embodying a reduction or in some cases elimination of tax on wages and incomes, but extending the term taxable

income to cover, among other things, speculative profits), stamp tax, household tax and sales tax. With the implementation of these measures, the Government hoped that the estimated deficit for 1959 of Rp 8 billion¹ might be reduced in 1960 by some 60 or 70 per cent. In the meantime, certain proposed government expenditures were pruned and others suspended or cancelled. However, there was an absence of a well co-ordinated plan when the monetary measures were first announced, as shown by the fact

¹ An Associated Press dispatch from Djakarta reported a Government note to the Parliament having disclosed on 26 December 1959 that the Government was winding up the year with a deficit of Rp 22 billion. (*New York Times*, 27 December 1959).

that there were 30 announcements by the PPOK Committee (dealing with follow-up measures on the monetary ones) between 24 August and 14 October making various modifications and exceptions, and that the "interrelated measures" were decided upon only in a piece-meal fashion. One of the apparently unforeseen consequences was that commercial and manufacturing firms had difficulty in paying wages and salaries, and business which initially came to an almost complete standstill, remained well below normal. On 29 August, the Government announced that it would provide credit to commercial banks for the payment of the "unfrozen" portion of the deposits and through commercial banks to those enterprises with frozen bank accounts, for the purpose of production, export, and distribution (including transport). Up to 7 October, total credit extended by the Bank of Indonesia alone amounted to Rp 4 billion, and by other banks probably by a further Rp 1 billion. With increased bank credits, and the continuing budget deficit, currency in circulation rose rather rapidly after 25 August and, by the end of the year, it had practically reached the level preceding the reform and had thus nullified the reduction initially achieved.¹

The measures were also described as part of the Government's programme of moving towards a "guided economy". In this aim, the Government seems to have achieved success. Once the deposits were frozen and business had to depend on borrowed money from state banks and newly nationalized commercial banks, there was greater control by the Government in allocating priorities to the industries to be financed. Although the frozen deposits were to be compensated by long-term bonds, this has not yet been done. The transfer effect attendant upon most devaluations should also redistribute (and reallocate) resources in favour of the Government. Fulfilment in this respect should be re-inforced by the Government's success in having secured foreign credits; with proper utilization, such credits should not only strengthen the Government's hand *vis-à-vis* the private business sector, but should also help to keep supply pipelines filled in the transition period characterized by commercial disorganization.

EFFECTIVENESS OF POLICY MEASURES

From the discussion above, it will be evident that, of the wide array of fiscal and monetary measures which modern governments have at hand, only a few

are of real effect in most countries of the region. Generally speaking, the most effective and most widely used appear to have been fiscal measures pertaining to government revenues and expenditures, and quantitative controls on foreign trade and payments. The latitude that governments have in exercising the former is conditioned by the taxable surplus of a country, the magnitude of its foreign exchange resources, the efficiency of its revenue collecting machinery, and the quality of its political leadership. Even where the latter two are deficient, fiscal policy is still of some effect if only because in such cases governments resort to creating money in order to finance their expenditures.

Quantitative restrictions depend for their effectiveness on administrative adequacy and on the degree of internal inflation; where nothing is done about the latter, there should be a willingness to make compensatory external adjustments. In promoting economic development, such restrictions are likely, for several reasons, to be more effective than tariffs. One is that they can bring about changes more directly and speedily. Another is that they can bring actual foreign exchange expenditure to bear on crucial sectors instead of having to coax them by indirect inducements. A third is that it would be difficult to raise tariffs in the face of a general commitment by many countries to lower them. A fourth is that a large part of the region is covered by preferential tariff arrangements—the British Commonwealth countries with one another; the Philippines with the United States; Laos, Cambodia, and southern Viet-Nam with the French Union—which may distort commodity and factor flows and the regional allocation of resources. However, if administrative machinery is inadequate or inefficient, they may lead to even greater and more onerous distortions than tariffs.

Of equal importance is the attraction of external credits (public and private) which are crucial to developing economies, but the results of policies along this line are beyond the control of the countries most concerned, and the actual distribution of such credits is only haphazardly connected with the economic conditions and policies of most recipient countries.

Devaluation, owing to the not too promising trade prospects which are discussed in part II of this Survey, is not likely to be an effective means of increasing foreign exchange earnings, except possibly for marginal cases such as China: Taiwan where, however, it is not yet clear whether the new rate

¹ According to the Financial Note accompanying the draft 1960 budget submitted to Parliament in mid-November 1959, the amount of currency in circulation at the end of the year is estimated at the same level as that before the monetary measures.

can be held and where about one-third of imports is financed by foreign aid. Devaluation may be an instrument of adjustment where domestic monetary demand has reached inflationary proportions, and the government feels it cannot or should not take internal corrective measures; in such cases, it should not be regarded as a magnet to attract additional foreign exchange earnings, unless elasticities of demand for a country's export products are fairly high. Laos represents, of course, a very special case since the fundamental economic disequilibrium in this country can hardly be solved by any currency reform alone. The devaluation of October 1958 has strengthened the currency and put an end to currency speculation. But it was also admitted to have led to a certain slow-down in business activity (a healthy phenomenon as the pre-devaluation boom was borne on a wave of speculation), a temporary outflow of foreign capital and a decrease in budgetary revenues. Although prices of consumer goods fell initially, they returned to previous levels when stocks were exhausted; prices of capital goods rose substantially. A successful devaluation generally entails an initial period of shock, after which an economy readjusts itself fairly rapidly and is stabilized. In Laos, this sequence can hardly take place as the new exchange rate remains wholly dependent on a high inflow of external financing—its public external aid receipts being over twenty times as large as the export earnings of the country.

As has been suggested earlier, the relative ineffectiveness of monetary policy has two principal reasons. One is that the magnitudes involved may be operative below the relevant range. For example, changes in rediscount rates which take place below certain level may amount to little more than writing on the wind. There are signs that some governments in the region are beginning to appreciate the importance of relevant levels of effectiveness in the matter of implementation. China: Taiwan's yield on government bonds and the Philippines' rediscount rates are probably at or near levels where they are of some effect, although on the other hand China: Taiwan's rediscount rate and the Philippines' yield on government bonds seem to be largely of academic interest. The level at which monetary magnitudes begin to be effective also varies from country to country. Heavy exchange surcharges and a 230 per cent prior deposit on applications for import licences did little to alleviate the demand for foreign exchange in Indonesia; exchange certificates were at between 200 and 300 per cent premium, and were finally pegged at 332 per cent shortly before currency adjustment in August. In the Philippines, however,

a 100 per cent margin deposit on import letters of credit, imposed late in 1957 and carried into the early part of 1958, was so effective that overnight it wiped out the premium in import licences.

The other and more important reason for the narrow scope of monetary policy in under-developed countries is the absence of a financial infrastructure and of the banking habit among the people. In such cases, regulating the cost and availability of credit is of little effect, and resort must be had to measures which directly tap expenditure flows. This monetary vacuum presents a wide field in which governments can give full support to the establishment of a great variety of financial institutions within their countries—banks, saving institutions, insurance companies, mutual funds, the corporate form of business organization, security exchanges, and so on. While all governments must possess and exercise within judicious limits the power to create credit, forcing the pace of financial development by the mere provision of newly-created money at give-away interest rates is likely to be self-defeating. What seems called for is a combination of example and inducement combined with the mobilization of real savings in institutions where they can be made easily (but not freely) accessible to those who need them. With such a development of financial facilities, the scope for monetary policy in the region can be expected to increase progressively.

PRICE TRENDS

Price movements in the region in the first half of 1959 were generally mild, not exceeding 5 per cent up or down in relation to the cost of living in the corresponding period of 1958. That prices were generally stable may be attributed to production increase and to policies of relative retrenchment and restraint in the fiscal and monetary fields. The main exceptions to the prevalence of relatively small price movements were Burma, Hong Kong, Indonesia, Iran, Laos and Pakistan. The first and last of these achieved signal success in driving down prices, while the others experienced sizable price increases ranging from 10 to 30 per cent.

In Burma, the Rangoon cost of living index for the first half of 1959 fell 15 per cent from the first half of 1958 and 18 per cent from the second half; this followed the trend of food prices, which fell by 20 and 23 per cent over the stated periods. These price movements appear to have been the combined

result of favourable harvests, the slowdown in the rice trade in the early part of 1959, and administrative reforms. The latter included the imposition of ceilings on the retail prices of commodities, instructions to government-controlled agencies to limit their profits, and legislation aimed at releasing hoarded goods.

Pakistan also experienced a cost of living decline of 8 per cent in the first half of 1959 below the corresponding period of 1958 and 6 per cent below the second half for Karachi. This was achieved by administrative reform, budgetary retrenchment, the imposition of price ceilings on three categories of goods, a profit ceiling for industrialists equivalent to 20 per cent of the cost of production, and a rise in industrial output. However, the attempts to remedy the export situation by the export bonus scheme posed a threat to the success of the price control measures, which had been successful until January, but which began to come under pressure because import licences were being sold at twice their face value.

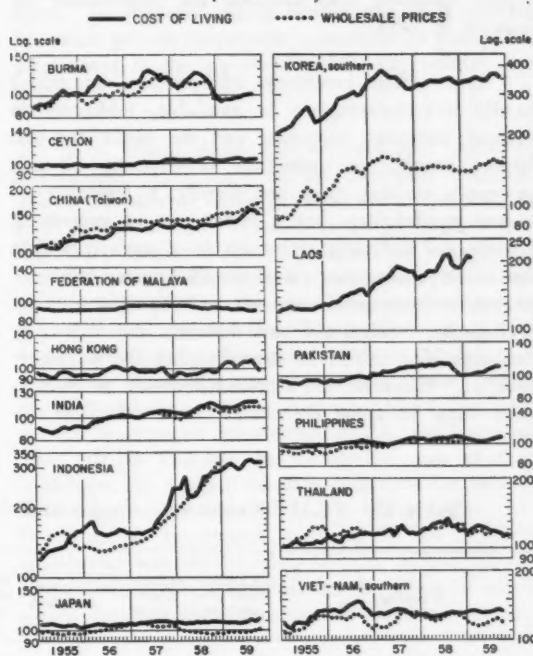
In the four countries which experienced a steep price rise, budget deficits appear to have played a more or less significant part in influencing price trends. They seem to have been the principal price-raising factors in Indonesia (already discussed in detail) and Iran. In Hong Kong, they probably combined with a diminution of supplies of subsidiary foods from the mainland of China to send prices up. The rise in food prices in the first half of 1959 was 18 per cent above the corresponding period of 1958 and nearly 12 per cent above the second half, pulling up the cost of living index for all items by 10 per cent and 7 per cent, respectively. In Laos, as has already been suggested, the reduction in imports and the fiscal and monetary consequences of its devaluation—the further cut in imports, the fall in tariff revenues, the resultant worsening of the budget deficit, and the rise in import costs—appear to have combined with a decrease in external aid in terms of foreign exchange to send prices up. The Vientiane cost of living (all items) went up by 8 per cent between the last quarter of 1958 and the first quarter of 1959, pulled up by increase in food costs of 17 per cent.¹ It remained, however, 1.4 per cent below the third quarter of 1958, which was the last quarter before devaluation.

Price stability seems to have been best maintained (perhaps paradoxically) by the export-oriented economies of Ceylon and the Federation of Malaya and by the entrepôt economies of Hong Kong and Singapore, as well as by Japan and the Philippines. On the other hand, long-term prices have risen most steeply in recent years in Indonesia, southern Korea and Laos.

¹ By contrast, the cost of living in China: Taiwan, another country which has undergone currency devaluation, went up by between only 3 and 4 per cent.

Chart 2

ECAFE Countries: Price Indices, 1954-1959

(1953=100)^a

^a For wholesale price index, the base periods are April-December 1953=100 for India and 1955=100 for southern Korea.

THE VOLUME AND ALLOCATION OF RESOURCES

ECAFE countries were sustained in their efforts at improvement during the first eight or nine months of the year by increased availability of resources. The betterment in the resource supply was mainly due to the increase in both industrial and agricultural production which generally made up for the fall in aggregate imports in the first half of the year and for the reduction in domestic supplies owing to increased exports.

Domestic production constitutes the larger part of the resource supply in ECAFE countries. Import dependence is least in China: mainland (except for producer goods largely from Soviet Union and eastern Europe to implement its plan for the development of heavy industry) and in India (except for years of loan agricultural production when larger cereal imports are made necessary). The need for cereal imports contributes to the moderate dependence on imports in Indonesia, Japan, Pakistan and the Philippines, and accentuates the larger import-

dependence of Ceylon, the Federation of Malaya and the entrepôt economies. Bumper harvests in the traditional cereal importing countries (except of rice in the Federation of Malaya and Pakistan) eased the supply situation and reduced the dependence on imports in 1959.

Apart from inventory adjustments, on which hardly any information is available, additions to current domestic resources can be made through import surplus or reduction of exports. Japan's payments surplus does not signify a lessening of import availabilities but a faster rate of growth in exports and indicates rising levels of activity within the country. Indonesia and the Philippines achieved impressive increases in exports, but the tightening up of imports, foreign aid and domestic anti-inflationary measures also helped in strengthening the payments position. However, the retained domestic product is quite high in these economies, and, offsetting the

decrease in imports, was the much larger increase in domestic production. A decrease in imports in Burma and Thailand in the first half of the year was followed by a sharp increase in the third quarter. India had only relatively small increases in exports and imports, but had achieved sizable increases in domestic production. Pakistan's exports and imports fell sharply in the first half, but recovered in the third quarter. Prospects of decreased foreign aid accounted for the reduction, in the first half of the year, in the imports of Cambodia, southern Korea and southern Viet-Nam. Of the centres of entrepôt trade, Singapore was adversely affected by the developments in Indonesia, while Hong Kong suffered a decline in supplies from mainland China and was affected by the increase in direct dollar trading by several countries of the region. Mainland China also had a larger volume of resources available, with sharper increases in production to offset the export surplus. (see table 15).

Table 15. ECAFE Countries: Supply and Allocation of Aggregate Resources, 1958/59 or 1959

Country	Agricultural production	Industrial production	Export quantum	Retained domestic product	Import quantum	Aggregate resources	Government consumption	Government investment	Private investment	Private consumption
British Borneo	+		+	+	+	+	+	—	+	+
Burma	+	+	—	+	—	+	—	+	—	+
Cambodia	—		—	—	—	—	+	+	?	—
Ceylon	+	+	+	+	+	+	+	+	+	+
China: Mainland	+	+	+	+	+	+	+	+	—	+
Taiwan	+	+	+	+	+	+	+	+	+	+
Federation of Malaya—Singapore	+	+	—	+	—	+		—	+	+
Hong Kong		+	+	+	—	+	+	+	?	+
India	+	+	+	+	+	+	+	+	+	+
Indonesia	+	?	+	+	—	+	+	?	—	?
Iran	+	+	+	+	+	+				
Japan	+	+	+	+	+	+	+	+	+	+
Korea, southern	+	+	+	+	—	+				
Laos	+		+	+	—	—	+	+	—	—
Pakistan	—	+	—	+	—	?		+	+	—
Philippines	+	+	+	+	—	+	+	+	+	+
Thailand	+		—	+	—	+	+	+	+	+
Viet-Nam, southern	+		—	+	—	+	+	+	—	+
ECAFE Region (incl. mainland China)	+	+	+	+	—	+	+	+	+	+

Source: National and international official statistics and data supplied by national governments to the ECAFE secretariat, and, for mainland China, press releases from the New China News Agency.

With enlarged domestic resources, in spite of tighter import availabilities, most countries in the region chose to increase their aggregate investment, as well as current governmental outlays, holding private consumption down relatively and, in some cases, even absolutely.

Available evidence seems to indicate an over-all increase in investment, with governments in the region participating substantially. Governments proposed to step up investment and other developmental expenditures in British Borneo, Cambodia, India, Pakistan, the Philippines, Thailand and southern Viet-Nam. However, investment remained more or less stationary in Burma, North Borneo, the Federation of Malaya and Singapore. In Ceylon, there was an increase in 1958/59, but a decrease was budgeted for the next year (see table 16).

Table 16. Government Expenditure under Developmental Heads, 1957-1959

(Million dollars at constant rates of exchange)

Country	1957/58 or 1957	1958/59 or 1958	1959/60 or 1959
Burma ^a	A 84	RE 85	DE 92
Cambodia	32	38	46
Ceylon	104	137	113
Federation of Malaya	172	169 ^b	207
India	1,812	2,218	2,300
Indonesia	203	398	334
Laos	22	27	32
Nepal	—	4	21
Pakistan ^c	305	313	314
Philippines	372	368	378
North Borneo	7	8 ^b	7
Sarawak	8	7 ^b	8
Singapore	39	40 ^b	37
Thailand	72	82	146
Viet-Nam, southern	93	82	103
Total	3,326	3,978	4,140

Source: The Colombo Plan: *Eighth Annual Report of the Consultative Committee*, 1959.

^a Figures for Burma include capital expenditure in public enterprises.

^b Actuals for 1958.

^c April 1957-March 1958, April 1958-June 1959, July 1959-June 1960.

The volume of private investment in the region is difficult to measure. In countries where aggregate resources have been on the increase such as Burma and Ceylon the proposed decrease in government outlay will release greater resources for private investment. In Pakistan, as in Burma, the shift towards increased private investment appears to be part of the adjustment in the proposed public expenditure programme.

Even where there was an increased claim by government expenditure on the increased resources, private investment could be expected to maintain its level, if not actually increase it, as in India and in the Philippines. In the Philippines, the manufacturing and mining development programme announced in the early part of the year was expected to give a stimulus to private investment. Even though, in India, the share of the public sector in total imports has been increasing and the finance raised in the capital market is on the decrease, there was some growth in corporate investment based on self-financing. The fall in imports in Cambodia and southern Viet-Nam, set against the dim prospects for increase in rice exports, was probably the factor leading to a fall in private investment; in Laos, the fall in private investment was almost certainly due to the business slump and to the substantial rise in prices of capital goods resulting from currency devaluation.

However, in the region as a whole, there was a rise in investment, if the relative importance of the various countries is taken into account. Indirect evidence pointing to such an increase in total investment is the general rise in imports of capital goods and in building activity during the period. Capital goods imports generally increased in step with general imports, and even where imports were restricted they maintained their relative shares. In countries with increasing imports such as India, Ceylon and North Borneo, capital goods improved their share; they did so even in Thailand with declining imports, while in the Philippines their share in the declining imports was maintained.

The trend of increasing investment in the region is additionally confirmed by data on construction of new buildings, which is on the increase in Ceylon, Japan, southern Korea and the Philippines. Non-residential building was up in the Philippines and more than compensated for the fall in residential building and indicated greater concentration on "productive" investment activity. Construction activity was on the decline in the Federation of Malaya, but there has been a shift from residential to non-residential construction; it was, however, down in China: Taiwan, Singapore and Thailand.

While investment has thus absorbed more resources, consumption requirements of the government for defence, administration and social services have also risen in almost all the countries—a notable exception being Burma; in the Federation of Malaya and Laos, government consumption has held on to the previous level.

The trends in private consumption are again more difficult to discern. The expansion in aggregate resources, in several countries, was large enough to permit an increase in investment and in government consumption, and yet leave more for private consumption. Imports either fell or were more significantly devoted to capital goods and to government needs; it is probable that increases in private consumption, wherever they took place, were derived largely from domestic sources. On the whole, the increased *per capita* availabilities of foodgrains and textiles indicate a rise in consumption levels in most countries of the region. Japan particularly increased its consumption levels by 6.7 per cent in the aggregate and by about 5 per cent per head in the first half of 1959 as compared with the corresponding months of the previous year.

Summing up the regional situation, there was an increase in aggregate resources in 1959 largely owing to increases in both agricultural and industrial production, which more than made up for the fall in aggregate imports and for the diminution of

domestic supplies represented by the rise in the region's exports. While most governments increased both their consumption and investment, the increment in aggregate resources appeared adequate to carry these, as well as increases in private investment and consumption in several countries. As a result, the government's share in resources followed no predominant pattern, rising in about half the countries for which some data are available, and falling in the other half, even where absolute levels of government expenditures may have risen. This came about in part because projected expenditures were reduced from their original magnitudes. As in the past, many governments financed a large part of their incremental claim on resources by the expansion of public and private bank credit, but signs appeared in a number of countries that increased taxation and non-inflationary methods of financing budget deficits (such as the tapping of private savings) were being resorted to in increased measure. External assets of the region as a whole increased under the combined impact of higher exports, lower imports and more foreign aid. Price movements were mild, except in certain instances, and showed no marked movement up or down; in slightly over half the countries for which data are available there were price increases, and in just under half either no change or declines. However, it is safe to say that prices have had a long-term upward tendency in most countries in the region. External imbalance for the most part was tackled with quantitative restrictions; their implementation was made easier by the improvement in domestic supplies.

PART II. FOREIGN TRADE OF ECAFE PRIMARY EXPORTING COUNTRIES

INTRODUCTION

The countries of the ECAFE region, in implementing their economic development programmes, have come across serious foreign exchange difficulties. These arise from the relatively slower growth of their exports in relation to their import needs. The special study in the pages below examines, in chapter 4, the long-term trends in foreign trade of the primary exporting countries in the ECAFE region¹ over a period of three decades between 1928 and 1957. The exports of these countries are examined in the light of long-term developments in

world commodity markets, and consideration is also given to the problems of instability. This is followed by a review of the demand factors and the supply situation of import goods illustrated by a few case studies of the repercussions on the structure of imports. The chapter finally moves from a consideration of trade imbalance to a discussion of payments imbalance and reviews the structural changes in non-merchandise transactions. Chapter 5, on prospects and problems, attempts to foresee the growth in the import capacity of the primary exporting countries of the region in the light of projections of imports of primary commodities into industrial countries, of the prospects of expanding their exports of manufactured goods and service earnings, and of developing alternative markets. Finally the study explores some implications of the likelihood of a continuing (or increasing) imbalance between the import capacity and import needs of the primary exporting countries for their trade policies, and for the trade and aid policies of the industrial countries.

¹These include all ECAFE countries (for which trade data are available) except Japan, mainland China and Hong Kong. The industrial economy of Japan is viewed in the role as a buyer of the region's primary exports and a supplier of its requirements for manufactured goods. The centrally planned economy of mainland China, although still primary exporting, is excluded for reasons of inadequate (and non-comparable) statistical material. The coverage also excludes the entire trade of the entrepôt economy of Hong Kong and the entrepôt trade of Malaya (the Federation and Singapore) in manufactured goods and in primary commodities such as rubber, tin and petroleum produced in neighbouring Indonesia and Thailand.

Chapter 4

LONG-TERM TRENDS

TRENDS IN PRODUCTION AND TRADE

GROWTH OF PRODUCTION

The past three decades have witnessed a higher rate of expansion of output in the industrial countries¹ than in the primary producing countries of the world (excluding the centrally planned economies of eastern Europe, the Soviet Union and mainland China) (see chart 3). This discrepancy in the output of farms, factories and mines in the two groups of countries is, to a large extent, due to the unequal growth of primary and manufacturing production. Manufacturing production has been expanding more rapidly than primary production, and its relative predominance in the industrial countries explains why they have outpaced the primary producing countries in aggregate output. The world pattern of growth as between primary and manufacturing output is also reflected domestically both in the primary producing countries and in the industrial countries.

Statistics on the growth of output in the ECAFE primary exporting countries stretching back to the prewar period are not available. However, it seems that output in 1955-1957 increased by 45 per cent over 1928, and by 33 per cent over 1948.² Obviously,

¹North America, western Europe and Japan.

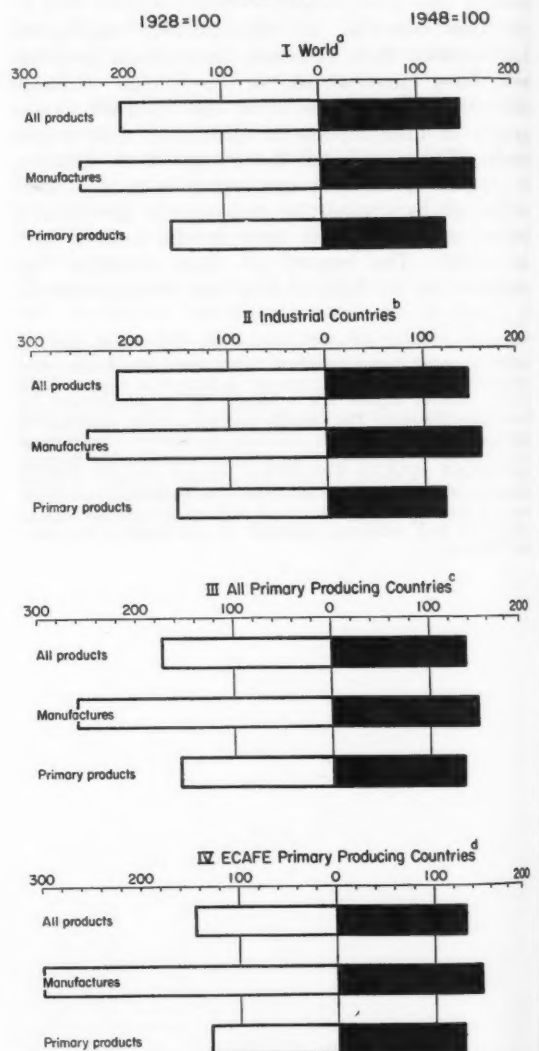
²The League of Nations data for the prewar period give indices of agricultural production for Asia, which includes the Near East, Japan and mainland China. The index was some 4 per cent higher during 1934-1938, the base period for the Food and Agricultural Organization index, than during 1928. With 1934-1938 as the base, agricultural production during 1954/1955 to 1956/57 for the Far East, including Japan but excluding mainland China, was higher by 22 per cent. By and large, therefore, agricultural production in the primary producing countries of the region during 1955-1957 would be over 25 per cent higher than in 1928. Mining output declined in the case of tin, but increased sharply for petroleum and considerably for metals and ores other than tin (see table 19 for the rates of change in production and table 22 for the relative shares in export earnings). Aggregate primary output, therefore, may be placed at 30 per cent above the 1928 level.

Manufacturing production accounts for only a small proportion of the aggregate production of the primary producing countries of the ECAFE region. In India, which accounted for about three-fifths of the weight for all ECAFE primary producing countries in the United Nations index of world manufacturing production, based on data for 1953, value added in manufacturing (including only factory production relevant to the index) accounted for only 16 per cent of primary output in 1956. If the base is shifted back to 1928, the significance of manufacturing production would decline further; we may adopt 10 per cent as roughly the average ratio of manufacturing to primary production in the primary producing countries of the region in 1928. On the other hand, with a small base of manufacturing output and, in many cases, starting from scratch, the rate of growth must be substantially higher than the world average. If aggregate manufacturing production in these countries in 1955-1957 was about three times the 1928 level, total production of agriculture, mining and manufacturing would indicate an increase of about 45 per cent above 1928.

If 1948 is taken as the base, agricultural production was some 27 per cent and mining and manufacturing production about 50 per cent higher in 1955-1957, giving an aggregate output increase of 33 per cent.

the primary producing countries of the ECAFE region have fallen behind not only the industrial countries but also the rest of the primary producing countries of the world.

Chart 3
Volume Indices of Production, World and by Areas, 1955-1957



Source: United Nations, *World Economic Survey 1958*, p.17, and footnote on p.3.

^aExcluding eastern Europe, the Soviet Union and mainland China.

^bNorth America, western Europe and Japan.

^cWorld as defined in footnote (a) minus industrial countries as defined in footnote (b).

^dSee page 53, footnote (1).

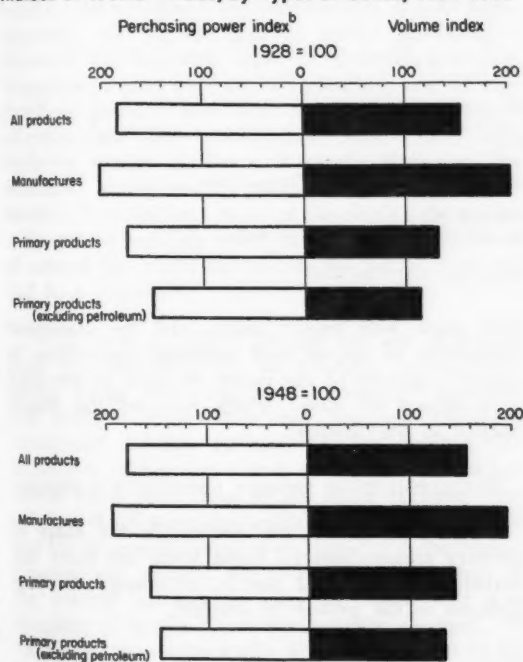
GROWTH OF TRADE

World trade in the past three decades (1928-1957) has expanded less than world production. The reasons for this development are the faster rise in output in the United States, which depends less on imports of raw materials than western Europe, increasing self-sufficiency in primary products in the industrial countries and a lag in the primary production in primary producing countries. More fundamental, however, is the long-term tendency for the demand for primary products to lag behind industrial (and total) output. Even so, a major part of the one-third increase in the volume of primary exports was accounted for by one commodity only, namely, petroleum of which world exports in 1957 were more than seven times those in 1928 and about two and a half times those in 1948. Excluding petroleum,¹ the volume of world trade in primary

products had increased only by about one-seventh over 1928 and by one-third over 1948² (see chart 4).

The attempt to ascertain the growth in the trade of ECAFE primary exporting countries meets with considerable difficulties. Between 1928 and 1957 national frontiers were altered, with the result that what was domestic trade in 1928 had become foreign trade by 1957. Principal among these changes are the separation of Burma and Pakistan from the geographical unit of India in 1928, the division of Indochina into three separate states (and a further division of Viet-Nam into northern and southern Viet-Nam) and the separation of the Federation of Malaya from Singapore. The dissociation of territories from Japan, such as Taiwan and Korea (as well as the division of Korea) also raises problems of comparability. Data for Afghanistan and Nepal are not available. Finally, as mentioned in the Introduction,³ it is necessary to exclude the entire trade of the entrepôt economy of Hong Kong, and the entrepôt trade of Malaya (the Federation and Singapore) in manufactured goods and in primary commodities such as rubber, tin and petroleum produced in neighbouring Indonesia and Thailand. Excluding, therefore, the entire trade of Afghanistan, Cambodia, China: Taiwan, Korea, Laos, Nepal and Viet-Nam, the entrepôt trade of the Federation of Malaya and Singapore, the triangular trade between Burma, India and Pakistan, and the bilateral trade of the Federation of Malaya with Singapore, the indices of net foreign trade of what at present are eleven ECAFE primary exporting countries come out as in table 17. The export and import values are deflated by changes in the prices of manufactured goods between 1928, 1948 and 1955-1957.⁴

Chart 4
Indices of World^a Trade, by Types of Goods, 1955-1957



Source: United Nations, *World Economic Survey*, 1958.

^a Excluding eastern Europe, the Soviet Union and mainland China.

^b Expressed in terms of purchasing power over manufactured goods during 1955-1957.

It may perhaps be questioned why this favourable growth item should be excluded and the sluggishness of the exports of the rest of the primary commodities be enlarged upon. However, petroleum is a special case. First, its increased availability has been largely due to discoveries of new deposits which like those of many other mineral products depends on a freak of nature. Secondly, the gains from petroleum have been concentrated in a few sparsely populated countries. Hence, it has been customary to describe developments in world primary production and trade in terms of totals, with and without petroleum.

Table 17. ECAFE Primary Exporting Countries:
Indices of Production and Net Trade, 1955-1957

Item	1928=100	1948=100
Production	145	133
Imports	163	136
Exports	122	125

Source: Table 18.

In other words, over the three decades, the external purchasing power of exports of the ECAFE primary exporting countries has grown less than production. It has also grown substantially less than that of world primary products as a group (76 per cent), or of the total exports of primary and manufactured goods of all primary producing countries (83 per cent).⁴

² See page 53, footnote (1).

³ British Borneo, Burma, Ceylon, the Federation of Malaya, India, Indonesia, Iran, Pakistan, the Philippines, Singapore and Thailand.

⁴ United Nations, *World Economic Survey* 1958, p.55.

Table 18. ECAFE Primary Exporting Countries: Net Foreign Trade in Merchandise, 1928, 1948 and 1955-1957

(In million US\$ of 1955-1957 purchasing power over manufactured goods)

Country	Exports			Imports		
	1928 ^a	1948	1955-1957	1928 ^a	1948	1955-1957
British Borneo	61	120	303	29	76	219
Burma ^a		179	183		127	195
Ceylon	229	311	375	232	306	343
Federation of Malaya-Singapore ^b	490	643	743	508	656	728
India ^a	2,012	1,149	1,267	1,533	1,342	1,707
Indonesia	1,020	401	937	649	472	763
Iran	246	599	568	122	173	326
Pakistan ^a		435	318		176	357
Philippines	249	325	429	217	606	556
Thailand	180	227	345	132	146	368
TOTAL	4,487	4,389	5,468	3,422	4,080	5,562
India, trade with Burma and Pakistan		260	42		412	57
Burma, trade with India and Pakistan		68	51		46	30
Pakistan, trade with Burma and India		67	41		141	25
Afghanistan . . . . .	...	...	55 ^c	...	...	62 ^c
China: Taiwan	174	17	130	121	5	202
Cambodia-Laos-Viet-Nam ^d	185	93		161	191	
Cambodia			43			54
Laos			1			32
Viet-Nam, southern			64			256
Korea, southern . . . . .	...	19	22	...	209	390
GRAND TOTAL	...	...	5,917	...	...	6,670

Source: League of Nations, *Network of World Trade*.
 United Nations, *Yearbook of International Trade Statistics*.
 United Nations, *Monthly Bulletin of Statistics*.
Statistical Abstract of the British Empire.
 Bureau of Accounting and Statistics, Taiwan Provincial Government, *Taiwan Trade Statistics for the Last Fifty-three Years*.

^a Excluding triangular trade between Burma, India and Pakistan.

^b Excluding bilateral trade between the Federation and Singapore and entrepôt trade.

^c Average of 1956-1957.

^d Excluding the triangular trade between Cambodia, Laos and Viet-Nam.

The rate at which the imports of the ECAFE primary exporting countries increased between 1928 and 1955-1957, on the other hand, has been a little less than three times that of the purchasing power of exports. This disparate growth between exports and imports has altered the trade balance of the countries included in the above indices from an aggregate export surplus in 1928 of over one billion dollars worth of manufactured goods at 1955-1957 prices to an annual import surplus of somewhat less than a hundred million dollars during 1955-1957 at current prices. Including several of the excluded countries and the trade between Burma, India and Pakistan, the primary exporting countries of the region had a net import surplus of a little over \$750 million during 1955-1957 (see table 18). The narrowing of the gap between the growth in exports and imports between 1948 and 1955-1957 is not truly indicative of a long-term trend. The more substantial growth in exports reflects the restoration of damage due to the war and to the civil disturbances which followed in its wake and after the attainment of independence by several countries in the region. On the other hand, the growth in imports has been damped down by the failure of exports to increase

pari passu with import needs, and the consequent imposition of import and exchange restrictions in several countries of the region in place of the large scale export of specie which financed the import surplus in the 'thirties'.

DEVELOPMENTS IN PRIMARY COMMODITY MARKETS

The reasons for the decline in the share of primary commodities in world trade are many and varied. The principal one is, of course, the sluggishness in the growth of demand.

Demand developments

The aggregate demand for food has, in general, been favourably affected by the growth in population in most parts of the world. *Per capita* rise in incomes, on the other hand, has generally been accompanied by a less than proportionate rise in food demand, although the relationship varies for different food items. *Per capita* consumption of cereals, above a fair subsistence level, falls off rather rapidly with a rise in incomes. Sugar consumption rises in the lower and middle income brackets, but remains

stationary or declines somewhat in the upper income levels. On the other hand, consumption of meat, fruit products and beverages¹ continues to increase until fairly high levels of income are reached. While, on the whole, aggregate world production and demand for food has kept pace with population growth, exports have declined mainly as a result of geographical shifts in production and supplies available for export. The income effects have led to marked differences in the fortunes of individual items. Beverages have expanded quite out of step with the rest of the food, oils and tobacco group.

The expansionist effects of population growth and the rise in incomes on the demand for *industrial raw materials* have been offset by technological changes which have made it possible to reduce the raw material content of finished products. For example, new processes have reduced the amount of tin needed in the electrolytic plating of iron and steel, and changes in the methods of packaging, transportation and handling have reduced the consumption of jute bags. Secondly, and in the postwar period particularly, increased use has been made of synthetic materials to replace primary products of agriculture and mining. Synthetic products have been claiming a larger share of rubber and fibre consumption; plastics have been replacing metals, leather and wood. Moreover, the structure of industrial production has altered in favour of industries, such as chemicals, electronics and machine building which use a smaller proportion of natural raw materials than do the textile, footwear and food industries.

The lower growth in demand has not, of course, been felt uniformly by all primary commodities. Rising levels of income in the industrial countries and military expenditure and strategic stockpiles contributed to the increase in the demand for petroleum, rubber and metals in the postwar period. Textile fibres have been at the other extreme. Not only has the demand for textile fabrics lagged behind that for the manufactures as a group, but technological progress has reduced the primary fibre content of the finished product to such an extent that consumption of textile fibres has actually declined. In 1955-1957, *per capita* textile fibre consumption in the United States was only three-quarters, and in western Europe only four-fifths, of what it was in 1927-1929. Imports into industrial countries have lagged even more than apparent consumption, owing mainly to increased production by them of the raw materials themselves or of substitutes.

Western Europe is more important than the United States as a market for the primary products of the world. The commodities which have been

buoyant as import items are those which western Europe cannot produce easily, such as petroleum and rubber; on the other hand, the less rapid growth in consumption in western Europe and its increased self-sufficiency have considerably aggravated the stagnation in the least expansive group of commodities, such as tobacco, cotton and rice, of which the United States is a net exporter.

Supply factors

The structure of the supply of primary commodities has also undergone changes no less significant than that of demand. The fact that real prices² of primary products in world trade improved by one-third between 1928 and 1955-1957 was the consequence, to a certain degree, of a supply inflexibility as compared with the rise in demand. Undoubtedly, the supply of petroleum, bauxite and rubber rose in response to the growth in demand, causing even a decline in the real prices of aluminium and rubber. Generally speaking, however, by 1955-1957, a large number of primary commodities, principally non-ferrous metals, beverages,³ rice, and luxury food items were in short supply. All these commodities accordingly showed gains in their real prices.

Slowness in restoring the productive capacity of the ECAFE primary exporting countries from the effects of war damage and postwar disturbances cannot fully explain the sluggishness of the total world supply of primary products. The production of rubber, petroleum and copra has grown quite rapidly even in areas directly affected by war operations. On the other hand, output of tin, for which demand conditions have not been as favourable for growth, declined. Perhaps the more important supply factor—in another sense a demand factor explaining the lag in world primary exports—has been the increased domestic consumption of primary products in ECAFE and other primary producing countries. The fact that consumption of food by their growing populations and of raw materials by their expanding industries is growing at a more rapid rate than production, has reduced their food and raw material exports. This situation, viewed in conjunction with demand conditions, explains the tendency of primary exports to fall behind production of primary products, particularly cereals, sugar, copra, tea, tobacco and textile fibres.

The gains made by the industrial countries, particularly in North America in the production of primary commodities, have had opposite effects on world trade. On the one hand, as noted above, they

² "Real prices", as used in this study, refer to export unit values of commodities deflated by prices of manufactures.

³ By 1959, the supply of beverages further expanded and prices were lowered.

¹ Tea, coffee and cocoa.

have reduced the import demand of the United States for primary products; on the other, the United States has increased its share in the exports of cereals to other industrial countries, and to the primary producing countries themselves. The share of the primary exporting countries in primary exports has thus declined in two directions; they have lost ground to the United States in their exports to western Europe (and Japan) and in their exports to each other. Accordingly, they have become more dependent on the industrial countries than in the 'twenties for imports of food for their populations and of raw materials for their industries.

EXPORTS OF ECAFE PRIMARY EXPORTING COUNTRIES

THE GROWTH IN THE VOLUME OF PRIMARY EXPORTS

After making allowance for territorial changes and for entrepôt trade, the net exports of ECAFE primary exporting countries consist of a small proportion of manufactured goods, mostly from India and Pakistan,¹ and the balance of primary products.

¹Exports of manufactured goods by India and Pakistan during 1955-1957 earned about 10 per cent of the proceeds from aggregate net exports of the eleven countries mentioned in footnote (3), page 55, during 1955-1957.

Of the latter, some seventeen commodities² accounted for about 82 per cent of the total value of primary exports from the eleven ECAFE primary exporting countries during 1927-1929 and 88 per cent in 1955-1957 (see table 22). The volume of exports of these seventeen commodities increased by a little over one-fifth between the two periods (see table 19).

This indicates a rate of growth lower than that of primary production in the region. Even so, the volume of exports is dominated by only two commodities, namely, petroleum and rubber. Excluding petroleum, it remained about the same as in 1927-1929; excluding petroleum and rubber, it declined by about a quarter. The decline is spread widely over many traditional exports of the region, such as rice, tin, cotton, jute, sugar, oils and oilseeds (other than copra), tobacco, hides and skins, spices, wool and coffee. The more substantial increases in the total volume of exports since 1948 reflect, to a considerable extent, the restoration of productive capacity from wartime damage and destruction.

²Petroleum, tin, rubber, jute, cotton, tea, rice, sugar, copra and coconut oil, other oils and oilseeds, spices, tobacco, coffee, hides and skins, metals and ores excluding tin, wool, and edible fruits and nuts.

Table 19. ECAFE Primary Exporting Countries: Percentage Increases or Decreases (—) in the Volume of Production, Volume of Exports, Real Unit Value and Purchasing Power of Primary Commodities, 1955-1957 as compared with 1927-1929 and 1948

Commodity	Production		Exports		Real unit value ^a		Purchasing power ^a	
	1927-1929 =100	1948=100 ^b	1927-1929 =100	1948=100 ^b	1927-1929 =100	1948=100 ^b	1927-1929 =100	1948=100 ^b
Rubber	148	18	137	33	-23	35	82	79
Crude petroleum	284	40	284 ^c	40 ^c	-6	19	259	66
Tea	53	28	16	28	30	—	51	26
Rice	28	15	-23	66	19	-31	-8	14
Copra and coconut oil	127 ^d	61 ^d	45	42	-19	-45	18	-22
Tin	-19	35	-13	-4	15	34	—	28
Cotton	16	85	-60	3	17	1	-53	4
Jute	-2	31	-19	-6	10	-43	-10	-46
Sugar	-1	85	-64	329	27	11	-54	375
Metals and ores other than tin	79	109	114	466	-4	-14	105	386
Oils and oilseeds other than copra and coconut oil . . . . .	...	...	-73	112	73	-60	-53	-15
Spices . . . . .	...	...	-5	220	3	-28	-2	129
Tobacco	-16	65	-49	136	72	44	-12	239
Hides and skins . . . . .	...	...	-51	-50	95	307	-4	106
Wool	-21	77	-3	112	146	141	139	413
Coffee	-17	84 ^e	-28	208 ^e	19	-42 ^e	-14	78 ^e
Edible fruits and nuts . . . . .	...	...	37	38	59	7	117	48
Average of above 17 commodities . . . . .	...	...	21 ^f	40 ^f	7	—	29	40
Average of above 16 commodities (excl. petroleum) . . . . .	...	...	1 ^f	40 ^f	9	-7	10	34
Average of above 15 commodities (excl. petroleum and rubber) . . . . .	...	...	-24 ^f	42 ^f	22	-15	-7	21

Source: Computations by the ECAFE secretariat.

^a Unit value and value indices deflated by unit value indices of world exports of manufactured goods.

^b Including triangular trade between Burma, India and Pakistan.

^c Production index.

^d Copra only.

^e 1950=100.

^f Obtained on the basis of Fisher's ideal formula.

The rise in the volume—as indicated by the volume index of exports of the seventeen primary products from the eleven countries of the region—has also lagged behind that of world exports of all primary commodities which rose by 32 per cent between 1928 and 1955-1957. Although buoyant commodities such as petroleum and rubber have a higher weightage in the ECAFE index than in the world index, this is offset by the absolute declines in ECAFE exports of several major commodities (cereals, non-ferrous metals, sugar) in which world trade increased and by the relatively slower growth in others (petroleum, beverages). As a result, the share of ECAFE primary exports has fallen as compared both with the world as a whole and with the other primary producing areas as shown in table 20.¹ The relative position of ECAFE primary exporting countries has become unfavourable both for commodities such as cotton, tobacco and petroleum, in which the primary exporting countries of the world as a group increased their shares in world trade, and for commodities such as tin, rice, sugar, coffee, abaca, sisal and other hard fibres (excluding jute), in which the primary exporting countries barely maintained or reduced their share. In fact, volume of exports from the region for such commodities as rice, cotton, sugar, coffee, tobacco, hard fibres and tin declined, whereas those from other primary producing areas—mainly Africa and Latin America, and also, in many cases, the Near East or Oceania increased. In the case of petroleum, the Near East has made the greatest advance. If we neglect the rather spurious declines in the share of the industrial countries in the re-export trade in items such as tin, tea, rubber and jute, the ECAFE primary exporters have lost markets to the industrial countries in rice and to the centrally planned economies in rice, cotton, tobacco and tin, as well as to extra-regional primary producing countries of the world. Only in copra has the ECAFE region gained at the expense of exports from other primary producing countries, and in tea at the expense of mainland China.

¹These data compare the more immediate prewar period 1934-1938 with the postwar situation. This has been done for reasons of statistical convenience. Production data for India for the 'twenties in League of Nations publications refer only to British India, and exclude the native states covering approximately only half of the territory of British India. While exports of British India covered most of the products from the native states, a comparison of exports with production data for British India alone would have been invalid. Moreover, the trends discussed here are summarized from the *Commodity Survey 1957* (United Nations, New York, 1958), to which reference should be made for further details. This publication discusses commodity production and trade trends with reference to the years 1934-1938 as the prewar period. However, for comparisons of long-term trends, the period 1927-1929 is, in general, preferable to the post-depression years 1934-1938, but this may be of minor significance in a discussion of the share of the ECAFE primary exporting countries as a group in individual export commodities.

Table 20. Regional Shares in the Volume of Prewar and Postwar World Exports of Primary Products, 1934-1938 and 1955-1957

(Per cent of gross world exports)

Commodity and period	Centrally planned economies	Industrial countries	ECAFE primary exporting countries	Other primary exporting countries
Rice:				
1934-1938	0.3	4.7	92.0	3.0
1955-1957	11.0	18.2	61.9	8.9
Sugar (raw basis):				
1934-1938	4.6	11.4	30.7	53.3
1955-1957	5.0	12.4	13.0	69.6
Tea:				
1934-1938	10.6	11.7	75.9	1.8
1955-1957	8.3	5.3	80.5	5.9
Copra:				
1934-1938	—	0.1	78.9	21.0
1955-1957	—	0.6	82.2	17.7
Natural rubber:				
1934-1938	—	5.0	92.8	2.2
1955-1957	0.9	3.7	90.8	4.6
Cotton:				
1934-1938	2.1	46.3	21.6	30.0
1955-1957	10.6	35.6	8.3	45.5
Jute:				
1934-1938	1.1	3.8	95.0	0.1
1955-1957	1.6	1.3	96.5	0.6
Abaca, sisal, and other hard fibres:				
1934-1938	—	4.3	48.8	46.8
1955-1957	0.2	5.6	23.3	70.9
Wool:				
1934-1938	2.0	22.3	3.2	72.6
1955-1957	3.6	10.6	4.8	81.0
Tobacco:				
1934-1938	9.8	50.7	16.4	23.1
1955-1957	12.4	47.2	8.9	31.5
Coffee:				
1934-1938	—	1.1	6.0	92.9
1955-1957	0.1	1.1	3.7	95.1
Tin:^a				
1934-1938	6.4	3.0	63.2	27.4
1955-1957	7.7	2.8	58.1	31.4
Crude petroleum:^a				
1937-1938	13.3	61.6	7.2	17.9
1955-1957	11.7	45.7	5.5	37.1

Source: United Nations Food and Agriculture Organization, *Yearbook of Food and Agricultural Statistics*, International Tin Study Group, *Statistical Yearbook*, International Tin Council, *Statistical Bulletin*; United Nations, *Statistical Yearbook*.

^a Figures relate to production, as trade figures are not available.

The reasons for this decline in shares vary. In some cases, there have been insurmountable physical obstacles to a more rapid expansion, because of unsuitability of available agricultural land, or, more generally, the difficulty of expanding supplies as quickly and as economically as in other areas. To some extent, the lag was due to the time taken to recover from the effects of wartime dislocations and postwar disturbances. More important factors are the increased difficulties encountered in expanding food production, and the larger absorption of food, beverages and raw materials in domestic consumption.

The major developments in the more important individual commodities between the immediate prewar period (1934-1938) and 1955-1957 are reviewed below.

Commodity trends

World production of *rice* in 1955-1957 was some two-fifths higher than that in 1934-1938. The increase in the production in ECAFE primary exporting countries was only a little over one-fifth. Burma, the major prewar exporter, had not yet caught up with the prewar level of production. On the other hand, large increases in production were registered in the centrally planned economy of mainland China and in several exporting countries outside the ECAFE area, such as Brazil and the United States. The ECAFE primary exporting countries were the only important prewar exporters of rice; in the postwar period, the United States and, to a lesser extent, mainland China have emerged as large exporters and Egypt's exports have increased. The large prewar exports from southern Korea and former Indochina have dwindled, and the much smaller exports from China: Taiwan have also declined sharply. Burma, on the other hand, has maintained its relative position as the leading rice exporter, though on a volume only half as large as before the war, while Thailand's exports, though still below their prewar level, have increased substantially in relative importance. These trends reflect, on the part of the exporting countries, the increasing volume of domestic consumption relative to increases in production, and, on the part of the ECAFE importing countries, the increasing volume of domestic production in relation to the increase in consumption. Despite growing populations, several of the prewar importing countries such as Ceylon, mainland China, India, Japan and Malaya (the Federation and Singapore) have reduced their rice imports to below prewar levels—to some extent, counterbalanced by wheat, which is cheaper than rice. Mainland China, in fact, has become a net exporter of rice. Owing to these trade-reducing trends, both in the rice exporting and importing countries, world trade in rice declined to less than two-thirds of its prewar level.¹

World output of *sugar* increased substantially (64 per cent) in 1955-1957 over the prewar level, despite the existence of restrictive price maintenance schemes under international agreements. In Indonesia, production has only recently exceeded prewar levels and in China: Taiwan is still below; in the Philippines, output has been fluctuating between 10-30 per cent above. The increase in domestic consumption has, on the other hand, eliminated most Indo-

nesian exports which accounted for more than 10 per cent of the world sugar trade before the war. Exports from China: Taiwan are still below the prewar level, while those from the Philippines, under United States and international quota agreements, have regained their former level, but not their relative position. The region's declining export capacity contrasts with developments in Latin America, which now exports more than half the world total. Rapid increases in consumption have been outstripped in many countries of that region by much faster rises in production. Increased consumption in the ECAFE countries has been met by an increase in aggregate production by 45 per cent (particularly in India) and in gross imports by one third. The region, which before the war was a net exporter of sugar, has become a net importer. Its share in world production fell from 25 to 22 per cent, and in world exports from 32 to 14 per cent between 1934-1938 and 1955-1957.

World production² of *tea* increased less (11 per cent) than that of other beverages. The output of black tea increased (by 52 per cent) and that of green tea declined (by 58 per cent) mainly as a result of lower production in mainland China. The increased production of black tea reflects slight increases in acreage in Ceylon and India, the development of higher yielding plants and, even more important, a significant increase in the intensity of plucking, which was unusually light during the operation of the International Tea Agreement in the 'thirties. Increased domestic consumption, particularly in India, has caused exports to lag; consequently, India has lost its relative position *vis-à-vis* Ceylon, its major competitor in world markets. However, both Ceylon and India now have a larger share in world exports, mainly at the expense of Indonesia. African output and exports, although still relatively small (about 5 per cent of the world total), have more than tripled since before the war. Exports of green tea from mainland China and Japan have remained below prewar levels. Although demand for tea in the industrial countries has kept pace with their population growth, it has not increased as much as demand for coffee. This is because beverage consumption has increased sharply in the United States, the predominant coffee consumer, relative to the United Kingdom, the foremost tea consumer. On the other hand, demand for tea has appeared to be less sensitive to price changes than demand for coffee (or cocoa).

By 1955-1957, the production of *oilseeds* was two and a half times the 1934-1938 average in North America; output in the ECAFE primary exporting countries had increased by only a quarter. The broad

¹From 9.6 million tons during 1934-1938 to 6 million tons during 1955-1957.

²Excluding the Soviet Union.

prewar pattern of *copra* production has remained the same; southeast Asia accounted for 84 per cent of the total output in 1934-1938, and for only slightly less than that figure in the postwar period. Output has expanded slightly faster in Africa and Latin America. Within the region, there have been important shifts: the decline in the Federation of Malaya and the slow recovery in Indonesia have been counter-balanced by a rapid growth in the Philippines. Total world trade in *copra* expanded by about 12 per cent; the share of the Philippines in world exports of *copra* rose from a little over one-fifth to well over one-half. Increased domestic consumption, on the other hand, has sharply reduced the quantities of *copra* exported before the war from Indonesia and Malaya (the Federation and Singapore); their combined share declined from 51 per cent to only 22 per cent. The decline in these two countries has also weakened the position of the region in the production and exports of *palm oil*; the ground has been lost to Nigeria and Belgian Congo. As for *groundnuts*, the ECAFE primary producing countries have maintained their relative position in world production, but have lost ground in world exports to Nigeria and West Africa. This was chiefly due to developments in India, where increased domestic consumption and an export prohibition in late 1956 designed to bring down domestic prices¹ led to a decline in exports (despite an increase in production) from 40 per cent of the world total (shelled equivalent) in 1934-1938 to about 5 per cent in 1955-1957. For *linseed*, India's lower production, increased consumption and stoppage of exports have been responsible for the decline in the region's production and exports.

The decline in production, particularly in Indonesia, also explains the reduced share of ECAFE primary exporting countries in world exports of *tobacco*, which increased by about a quarter. The ECAFE region's share in world production, which also increased by about a quarter, declined from 27 to 20 per cent; its share in exports declined from 16 to 9 per cent.

The output of *cotton* by the ECAFE primary exporting countries in 1955-1957 was some 10 per cent higher than in 1934-1938. It could have been yet higher but for the need for expanding acreage under food crops in the principal producers, notably India. The region's contribution to world production, therefore, declined from about one-fifth in 1934-1938 to less than one-sixth in 1955-1957. Failure of import demand to rise *pari passu* with consumption in cotton importing industrial countries led to a contraction in world trade in cotton by some 10 per

cent as compared to the prewar level. Increased domestic consumption by local textile industries further reduced the volume of exports from India and Pakistan, whose combined share in world exports declined from 20 per cent in 1934-1938 to 7 per cent in 1955-1957.²

Of the non-apparel fibres, southeast Asia was the only source of *abaca* before the war. During the war, however, several Central American countries started production, and by 1946-1948, Central America supplied about one-sixth of world output. Owing to the recovery in the Philippines, the share of southeast Asia increased from 83 per cent just after the war to nearly 96 per cent in 1955-1957. Although total production and exports of *abaca* are still 30 per cent below prewar levels, there has been a considerable expansion in the output and export of *other hard fibres*. The bulk of this increase has occurred in Africa, from which exports roughly doubled, and in Latin America which increased exports by more than two-fifths, corresponding to the world trend. The share of the ECAFE countries in world exports of hard fibres other than jute has declined from 49 to 23 per cent.

Like *abaca*, *jute* is also mainly an Asian product. The production and trade changes since the prewar period have been the consequence of the partition of the Indian sub-continent. India rapidly expanded production to supply its jute mills; its combined production of jute and mesta in 1955-1957 was well over double the prewar figure, and almost of the same order as that of jute in Pakistan, which still remains below prewar level as a result of a deliberate restriction of acreage. Output in mainland China has increased, but its exports, already small even before the war, have become negligible because of increased domestic utilization. The insignificant exports from Africa increased considerably in the early postwar years, but have recently declined sharply.

Although output of *crude petroleum* in the ECAFE primary exporting countries has more than doubled since 1934-1938, their share in world production declined. The share of the industrial countries as a whole, mainly North America, has declined substantially, but still accounts for nearly half of total world output. The 8 per cent prewar share of ECAFE countries has declined to about 6 per cent of world production, as output increase was relatively smaller in the principal producers of the region, namely Iran, Indonesia and Brunei. Production in Iran is again rising rapidly, following the settlement of the dispute with the foreign owned company. Iran's gains, however, are less striking than neighbouring Iraq, or the newly developed sources like Saudi Arabia and

¹Exports were resumed in mid-1958 to overcome balance of payments difficulties.

²This development was, of course, offset by increased exports and reduced imports of cotton fabrics in the two countries.

Kuwait, each of which, starting from scratch, produced more oil than Iran or Iraq in 1957. These shifts in production, combined with different rates of expansion of consumption, have caused even greater changes in the export pattern. North America has become a large net importer from a small net exporter before the war. Net exports from the Near East have risen tremendously, both absolutely and relatively, while the relative share of Latin America has decreased. Consumption in the ECAFE countries has grown rapidly, and the region is now a small net importer of petroleum.

The share of ECAFE primary exporting countries has also declined in the *metals* group. On the basis of the value of the metal content of the ores produced, their production nearly doubled between 1936-1938 and 1953-1955. This gain, however, was much less striking than that of the other primary producing countries, which increased their share in the value of world metal production from 39 per cent to 51 per cent between these periods, whereas the share of ECAFE region was halved to 7 per cent. Of the metals, *tin* is the most important for the ECAFE region. World production of tin concentrates has increased only a little over the prewar level; partly owing to war devastation, output in the ECAFE region has declined slightly in spite of a rise in real prices. However, the stagnation in world trade in tin is really the result of technological advances leading to economy in the use of tin, as well as to competition from other materials which have held back the growth in demand. The ECAFE primary exporting countries, as a group, are losing their share to Africa, owing to a rapid increase in production in the Belgian Congo. The declining share is due to reduced output in the smaller producers, Burma, Laos, Thailand and Viet-Nam. The major producers, Indonesia and the Federation of Malaya, maintained, or even somewhat increased, their shares. Latin America—the other major producer—has slightly increased its share as a result of gains made by the large producer Bolivia, although the smaller output of Argentina has declined. Mainland China, with its very small production, has also increased its share in world output; the Soviet Union's output has risen from an almost negligible level to more than 5 per cent of world production. Despite an increase in Indian *iron ore* production and exports, the ECAFE primary exporting countries have lost their position in the buoyant metals group.

The postwar boom in the durable goods industries has played an important role in the expansion of the demand for *rubber* as for metals. Demand has been so strong that, although output of natural rubber almost doubled between 1934-1938 and 1955-1957, it was supplemented to a growing extent by rapidly rising supplies of synthetic rubber in industrial

countries. Southeast Asia is maintaining its predominant position in world trade in natural rubber. However, some ground has been lost to Africa as a result of sharply increased exports from Liberia, Nigeria and the Belgian Congo. Within the region itself, shifts in the relative supply position were small. Among the major producers, Indonesia's share increased slightly, while that of the Federation of Malaya declined. Of the small producers, Thailand nearly doubled its share, Cambodia and Viet-Nam increased their shares to a smaller extent, while the share of Ceylon declined. Both the Federation of Malaya and Ceylon, however, have been more active in rubber replanting with high yielding varieties, and shifts in the opposite direction may be expected in the near future.

TERMS OF TRADE AND PURCHASING POWER OF PRIMARY EXPORTS

The long-term increase (32 per cent) in the volume of world primary exports was made with a 33 per cent gain in real prices, that is, prices measured in terms of manufactured goods in world exports. The real prices of ECAFE primary exports appear to have increased considerably less—by 7 per cent with petroleum included and by 9 per cent with petroleum excluded (see table 21).¹ Evidently, the primary

Table 21. Indices of Exports of ECAFE Primary Exporting Countries and the World, 1955-1957

Item	Eleven ECAFE countries ^a (1927-1929=100)		World ^b (1928=100)	
	Seventeen products ^c	All products	All products	
<i>Primary products:</i>				
Volume	121	...	132	
Real unit value ^d	107	...	133	
Purchasing power ^d	129	120	176	
<i>Primary products (excluding petroleum):</i>				
Volume	101	...	114	
Real unit value ^d	109	...	132	
Purchasing power ^d	110	103	151	
<i>Total exports (primary and manufactured goods):</i>				
Purchasing power ^d	129	122	183 ^e	

Source: United Nations, *World Economic Survey* 1958, and tables 5 and 10.

^a Countries listed in footnote (3), page 55.

^b Excluding eastern Europe, the Soviet Union and mainland China.

^c Commodities listed in footnote (2), page 58.

^d Unit value and value indices deflated by unit value indices of world exports of manufactured goods.

^e Only primary producing countries.

It seems unlikely that petroleum prices should have fallen for the ECAFE region when they rose for the rest of the world; perhaps the error lies in adopting the production index of crude petroleum for the export quantum of all petroleum products, and the uncertainty, due to the operation of the exchange certificates system, of the dollar value of Iran's petroleum exports as converted from rial values. If a correction were made, it would lower the export volume, as exports may have increased less than production, and raise the export earnings total to a level higher than indicated above, thereby raising the unit value increases.

exports of the ECAFE region have lagged behind world primary exports both in volume and in their terms of exchange against manufactured goods.

The gain in real prices of primary products need not be taken to imply an equivalent gain in the terms of trade of the primary exporting countries, since these countries are themselves significant importers of primary products. The relevance of this factor on the world scale can be seen from the fact that, whereas the terms of exchange of all primary exports against manufactured goods improved by about one-third between 1928 and 1955-1957, the primary exporting countries experienced during these years only a negligible—4 per cent—improvement in the terms of trade of their exports against their total imports.¹ No data are available regarding the average unit value of imports of the ECAFE primary exporting countries (except for the postwar period). Nor is a clear breakdown of the import structure between primary and manufactured goods available; rough calculations indicate that primary commodities account for at least one-fourth of their total imports. If it can be assumed that prices of primary products imported by the ECAFE primary exporting countries increased by one-third relative to those of manufactured goods between 1928 and 1955-1957, this would be sufficient to nullify the meagre 7 per cent gain registered for the real prices of their exports. The discrepancy may well be larger, if the composition of manufactured goods imported by the region were such that their prices have risen more than the average prices of all manufactured goods in world trade. On the other hand, petroleum export prices may not have declined as shown here. All in all, while the prices of ECAFE primary exports are somewhat higher relative to the average prices of all manufactured goods, it is not clear whether the primary export commodities and primary exporting countries of the region, as a group, improved their terms of trade vis-à-vis their total import requirements between 1927-1929 and 1955-1957.

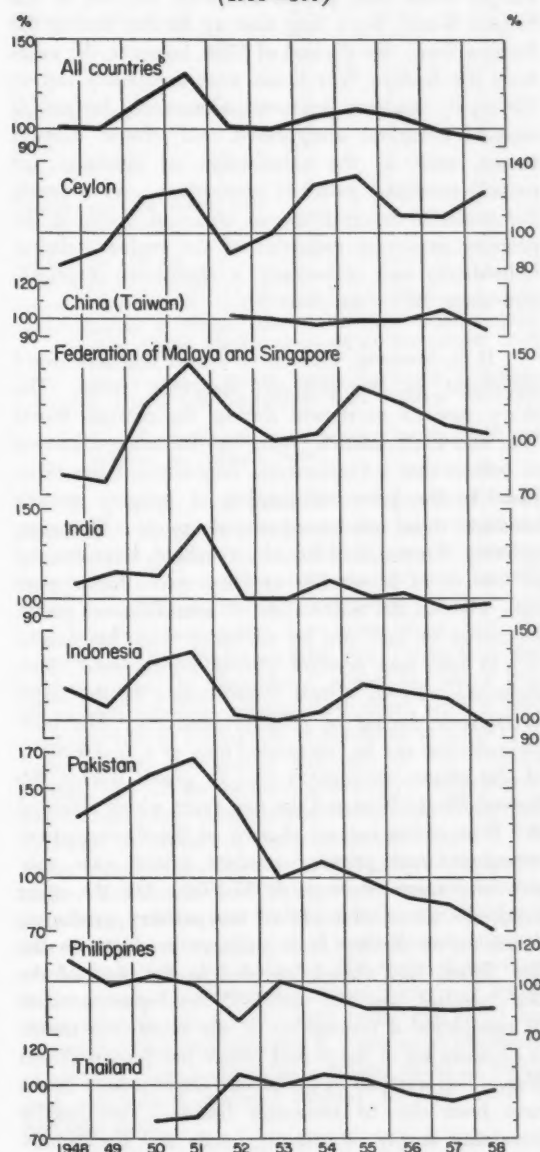
The direction and magnitude of the changes would still vary from country to country depending upon the situation encountered by the major commodity or commodities in its export trade. However, it appears that volume and real prices changed, generally speaking, in opposite directions between these periods. The major brunt of the decline in real prices was borne by rubber and apparently by petroleum—the two commodities which secured significant increases in the volume of exports. On the other hand, several commodities, with lagging growth, or even absolute declines, in the volume of exports, registered price increases.

¹General Agreement on Tariffs and Trade, *Trends in International Trade*, A Report by a Panel of Experts (Geneva, October 1956), p.26.

Opposite changes seem to have taken place since 1948. Petroleum and rubber prices improved, whereas those of a number of other commodities softened. However, the changes since 1948 are more a reflection

Chart 5

ECAFE Primary Exporting Countries: Terms of Trade,^a
1948-1958
(1953=100)



Source: National indices and computations by ECAFE secretariat.

^a Dollar unit value of exports deflated by dollar unit value of imports.

^b Countries listed in the chart.

rather of the abnormality of that year as a basis of comparison. In fact, the primary product prices in most of the postwar period have been influenced by a sequence of abnormal—from the point of view of long-term analysis—factors, such as acute supply shortages of the early postwar period, the Korean War and the strategic stockpiling boom and their aftermath, the Suez crisis, and three recessions (1949, 1954 and 1958). Primary product prices had risen sharply from their prewar levels by the end of the Second World War; they shot up further during the Korean War. By the end of 1958, however, the gains from the Korean War boom were completely lost as the supply situation improved, abnormally favourable demand situations disappeared, and adverse demand trends, such as the substitution of synthetic for natural products, gathered momentum. As a result, the available information on terms of trade of the primary exporting countries of the region indicate, individually and collectively, a significant deterioration since 1951 (see chart 5).

It is, however, difficult to see in this downward movement an unambiguous long-term trend. The sharp upward movement during the Second World War and early postwar years has led some observers to believe that a fundamental improvement has taken place in the price relationship of primary exports *vis-à-vis* those of manufactured goods. Moreover, primary commodities, broadly speaking, have remained the same in quality as they were thirty years ago, whereas the unit values of manufactured goods, measured as they are by deflating value by weight, fail to take into account quality improvement, and, therefore, conceal a real improvement in the terms of trade in favour of primary products. The post-1951 decline can be interpreted only as a "correction" of the almost continuous rise in prices during the Second World War and the five years which followed it. Even at the bottom of each of the three postwar recessions, real primary product prices were substantially above those in 1937-1938. On the other hand, the terms of trade of the primary producing countries, as distinct from primary products, in the late 'fifties, had already receded to the level of the late 'twenties, and the post-1951 developments could be considered a resumption of the downward trends in evidence up to the period before the Second World War. The wartime and post-war improvement might have been due to abnormal factors. The rapidly increasing supply of primary goods and the technological changes accelerating the tendencies towards economy in the use of natural materials, could very likely continue to threaten the terms of trade of the

primary exporting countries. These countries are particularly apprehensive of the grave consequences upon their exports when, in the near future, western Europe and Japan will forge ahead with synthetic production as the United States has already done.¹

As for the purchasing power of primary exports, it was previously noted that the doubling of world output and income in the three decades since 1928 was not accompanied by a commensurate growth in the external purchasing power of primary commodities as a group. For the group of eleven ECAFE countries, the value of net exports measured in terms of manufactured goods at 1955-1957 prices increased between 1927-1929 and 1955-1957 by a little less than a billion dollars or by 22 per cent of the total net exports during 1927-1929, whereas it increased by 83 per cent for primary producing countries of the world as a group (see table 21). The expansion in exports of primary products was slightly less owing to the higher rate of increase (45 per cent) in the exports of manufactured goods from India and Pakistan. The purchasing power of the primary exports of the ECAFE countries increased by 20 per cent compared with a 76 per cent increase in the purchasing power of all primary products in world trade.²

Petroleum contributed substantially to these earnings; real export earnings from petroleum accounted for more than 80 per cent of the total increase from primary exports. Excluding petroleum, the purchasing power of the primary exports of the ECAFE area increased by only 3 per cent of the 1927-1929 exports of primary products (other than petroleum); world exports of primary commodities (again other than petroleum) increased in purchasing power by 51 per cent between 1928 and 1955-1957. The above increases measured in terms of purchasing power

¹It may, however, be mentioned that, although the commodity terms of trade of the primary exporting countries may further decline, factor terms need not, if, as is envisaged, these countries are able to increase efficiency and reduce costs of production of their primary export commodities.

²The volume and real unit value indices for the seventeen commodities, accounting for about 88 per cent of the net primary exports of the eleven countries in 1955-1957, would be considerably affected if indices could be obtained for the unlisted minor products accounting for the balance 12 per cent. The total purchasing power of the seventeen commodities rose by 29 per cent between 1927-1929 and 1955-1957, whereas the aggregate increase from all primary products was only 20 per cent, the purchasing power of unlisted minor products having declined sharply by 22 per cent. It is not possible to allocate this decline between volume and real unit value. Collectively, the measures of volume and real unit value arrived at for the seventeen commodities exaggerate the increases recorded for either of the two, or both.

over manufactured goods imports would be further reduced if all import requirements were taken into consideration.

The much lower growth in ECAFE primary export earnings than in world primary export earnings is largely due to the rather unfortunate concatenation of circumstances affecting the commodities in ECAFE export trade. The relatively favourable expansion noted in the volume of rubber, copra and coconut oil exports has been associated with a fall in prices, owing largely to competition from synthetic products. Nevertheless, rubber still gained the most in purchasing power after petroleum. Even among the metals and ores group, tin—the principal export metal of the region—has been an exception to the general buoyancy of this group. World exports of tin declined by 11 per cent between 1927-1929 and 1955-1957,¹ whereas those of metals and ores not found in any great quantities in the region rose—bauxite and aluminium by 725 per cent, copper by 32 per cent, zinc by 75 per cent, and lead by 21 per cent. Among the beverage crops, tea—the principal product of the region—gained only 13 per cent in export volume during this period, as against 47 per cent for coffee and 34 per cent for cocoa. The price increase for tea was also less than for the other two beverages. As a result, world export earnings from tea were up by only 29 per cent,² whereas coffee and cocoa doubled their earnings. Despite increased demand from growing populations in the importing countries, earnings from rice, the major food export of the region, declined owing to a fall in the volume of exports. Sugar production in the region remained somewhat lower than the 1927-1929 level; export volume declined by a little less than two-thirds and earnings by more than one-half, in contrast with world sugar exports which increased their earnings by one-half. Export earnings from cotton were also less than half, and from jute, about 90 per cent, of the 1927-1929 level. Production of sugar in Indonesia, of cotton in India and of jute in Pakistan was curtailed in favour of foodgrain crops; price maintenance was perhaps the major objective of Pakistan's deliberate restriction of jute production and exports. The gains in purchasing power recorded by a few minor items such as metals and ores other than tin, wool, and edible fruits and nuts, although individually significant, are collectively unimportant (see table 19).

Table 22. ECAFE Primary Exporting Countries:^a
Percentage Shares of Purchasing Power of
Primary Exports,^b by Commodities,
1927-1929 and 1955-1957

Item	1927-1929	1955-1957	1955-1957 cumulative
Rubber	14.1	21.5	21.5
Petroleum	6.4	19.1	40.6
Tea	8.6	10.9	51.5
Rice	8.3	6.4	57.9
Copra and coconut oil	5.3	5.2	63.1
Tin	5.0	4.2	67.3
Cotton	9.0	3.5	70.8
Jute	4.5	3.3	74.1
Sugar	7.7	2.9	77.0
Metals and ores (excluding tin) .	1.1	1.9	78.9
Wool	0.7	1.5	80.4
Spices	1.7	1.4	81.8
Hides and skins	1.8	1.4	83.2
Tobacco	1.9	1.4	84.6
Oilseeds and oils (other than copra and coconut oil) . . .	3.5	1.4	86.0
Coffee	1.5	1.1	87.1
Edible fruits and nuts	0.5	0.8	87.9
Other items	18.4	12.1	100.0

Source: League of Nations, *International Trade Statistics*, 1927-1929; United Nations, *Yearbook of International Trade Statistics*, 1957.

^a British Borneo, Burma, Ceylon, Federation of Malaya-Singapore, India, Indonesia, Iran, Pakistan, Philippines and Thailand.

^b Excluding triangular trade between Burma, India and Pakistan, and entrepôt trade.

As a result, total gains secured by the ECAFE countries from primary exports have been small and have lagged behind those made by world primary exports. Moreover, they were concentrated in only three commodities, namely, petroleum, rubber and tea, together accounting for more than half the earnings in 1955-1957 (see table 22). Petroleum and rubber gained in purchasing power far more than all exports together, raising their share from a little over one-fifth in 1927-1929, to two-fifths in 1955-1957. Consequently, the export structure of the ECAFE region, and of the exporting countries individually, has become more concentrated rather than diversified, although in favour of items in good demand. The fairly equal distribution of the shares of tea, rice, cotton and sugar has changed in favour of tea. Petroleum, which was trailing in the late 'twenties, has overtaken them all, and is a close second behind rubber, which is still leading. The share of the three minor product groups noted above (ores and metals other than tin, wool and edible fruits and nuts) has almost doubled, and amounts to 4 per cent; the shares of all other commodities have fallen; those of cotton and sugar have declined sharply to only about 3 per cent each.

Moreover, the gains have been geographically concentrated in a few small countries, whereas the larger countries have been faced with a decline in

¹ECAFE exports declined by 13 per cent.

²ECAFE export earnings were up by 51 per cent.

their export capacity (see table 23). Between 1927-1929 and 1955-1957, the Burma-India-Pakistan sub-continent (India, as it was in 1927-1929) and Indonesia, with together seven-eighths of the total 1957 population of the eleven countries listed above, lost between them a primary export capacity of over \$400 million; the smaller countries, with an aggregate population of only one-eighth of the total or less than that of Indonesia or Pakistan gained by as much as \$1.2 billion, or over three-quarters of the purchasing power of their net primary exports in 1927-1929. It is rather striking that the smaller countries have experienced an increase in export earnings in fourteen out of the fifteen commodities featured in their trade. The gains from petroleum, in the region's primary exporting countries, have been concentrated in Iran

and the territories, such as British Borneo and Sumatra, around the Straits of Malaya. Indonesia, among the larger countries, has been helped by Sumatran output of petroleum, rubber and tin; but these gains have been cancelled by the sharp decline in the products of other islands, where export output has been sacrificed to the production of rice for domestic consumption. Consequently, the substantial reduction in Indonesia's export earnings from sugar, tea, coffee, copra, tobacco and minor products has more than offset the increases from petroleum, rubber and tin. Most of the total gains from rubber have been reaped by smaller countries, such as Ceylon and the Federation of Malaya, from tea by Ceylon, and from copra by British Borneo, Ceylon, the Federation of Malaya and the Philippines.

Table 23. ECAFE Primary Exporting Countries: Changes between 1927-1929 1955-1957 in Purchasing Power of Exports in Terms of Manufactured Goods valued at 1955-1957 f.o.b. Export Unit Values

Commodity	1927-1929 exports	1955-1957 exports		Actual change between 1927-1929 and 1955-1957			
		Hypothetical ^a	Actual	Total	Burma- India- Pakistan	Indonesia	Others ^b
Rubber	580	924	1,057	+477	- 5	+173	+ 309
Jute	184	166	165	- 19	- 19	-	-
Cotton	369	239	175	-194	-229	-	+ 35
Tea	355	457	537	+182	+101	- 30	+ 111
Rice	343	274	314	- 29	- 33	- 1	+ 5
Sugar	316	478	145	-171	+ 27	-213	+ 15
Copra and oil	216	397 ^c	256	+ 40	-	- 23	+ 63
Petroleum	262	2,835	941	+679	+ 14	+160	+ 505
Tin	207	247	206	- 1	+ 1	+ 28	- 30
Other oilseeds and oils	145	^d	69	-76	-123	+ 29	+ 18
Tobacco	78	107	69	- 9	+ 19	-34	+ 6
Hides and skins	72	...	69	- 3	+ 7	-10	-
Spices	71	...	70	- 1	+ 8	-12	+ 3
Coffee	62	128	53	- 9	- 1	-24	+ 16
Other metals and ores	46	260	94	+ 48	+ 20	-	+ 28
Wool	30	39	72	+ 42	+ 19	-	+ 23
Edible fruits and nuts	18	...	39	+ 21	-	-	+ 21
Unlisted minor products	759	...	593	-166	-132	-124	+ 90
Total primary exports	4,113	...	4,924	+811	-326	- 81	+1,218
Idem 1927-1929=100	100	...	120	+ 20	- 8	- 2	+ 30
Listed 17 commodities	3,354	...	4,331	+977	-194	+ 43	+1,128
Idem 1927-1929=100	100	...	129	+291	- 6	+ 1	+ 34
Listed 14 primary commodities ^e	3,193	6,552	4,153	+960	-209	+ 65	+1,104
Idem 1927-1929=100	100	205	130	+ 30	- 7	+ 2	+ 35
Listed 13 primary commodities ^f (excluding petroleum)	2,931	3,717	3,212	+281	-223	- 95	+ 599
Idem 1927-1929=100	100	127	110	+ 10	- 8	- 3	+ 21
Exports of manufactured goods ^f	375	...	542	+167	+167	...	...
Idem 1927-1929=100	100	...	145	+ 45	+ 45	...	...
Total exports	4,488	...	5,466	+978	-159	- 81	+1,218
Idem 1927-1929=100	100	...	122	+ 22	- 3	- 2	+ 27

Source: League of Nations, *International Trade Statistics, 1927-1929*; United Nations, *Yearbook of International Trade Statistics, 1957*, and *World Economic Survey, 1958*.

^a Hypothetical values on the basis that changes in export values for the ECAFE primary exporting countries were the same as world changes for the commodities listed.

^b British Borneo, Ceylon, Federation of Malaya-Singapore, Iran, Philippines and Thailand.

^c Including other oils and oilseeds.

^d Included in copra and oil.

^e All items in the table, other than hides and skins, spices, edible fruits and nuts and unlisted minor products.

^f Manufactures from Burma-India-Pakistan only.

The production of all the three items which gained significantly — petroleum, rubber and tea — is substantially in foreign hands. As a result, even though the gains accrued statistically to the geographical area of the ECAFE primary exporting countries, a sizable portion was not available to these countries to finance imports. Thus, the Iranian oil consortium withdrew, from its share of profits, an amount averaging \$140 million a year during the three years ending on 20 March 1958. Similarly, in reckoning the export earnings of the oil companies in British Borneo and Sumatra, and of the tea and rubber plantations in Ceylon and the Federation of Malaya, account should be taken of a transfer abroad of business profits, earnings of employees and repatriation of capital and equity gains. As a result, the gain in the export based capacity to import is substantially lower than the figure arrived at on the basis of f.o.b. values of exports.

It is not altogether true that the weakness of exports from the ECAFE countries is particularly due to the commodity structure of their export trade. Had the ECAFE countries secured the same gains in purchasing power for these commodities as did the world as a whole, the 1955-1957 hypothetical earnings would have more than doubled their 1927-1929 levels. This can be compared with the 76 per cent increase in the earnings of all primary products in world trade. This result, however, is heavily influenced by petroleum. If petroleum is excluded, the commodity composition of the region's exports explains the greater part of the lag in the growth in its purchasing power from primary exports. World purchasing power from all primary exports, other than petroleum, increased by 51 per cent whereas with the same rate of changes in individual commodities, the purchasing power of the ECAFE primary exporting countries would have increased by only 27 per cent.

The fact that the actual earnings have fallen short of hypothetical earnings shows that ECAFE primary exporting countries have, on balance, lost ground *vis-à-vis* other suppliers, even in their traditional primary exports. As we noticed above, the rate of growth of petroleum production in the region is still substantially less than elsewhere. Southeast Asia has retained its predominant position for natural rubber; it has, however, lost ground to the industrial producers of the synthetic product in the world market for the commodity as a whole. Similarly, although the region has maintained its position in tea, exports of coffee and cocoa produced elsewhere have expanded much faster than exports of tea from the region. Production of cotton and jute could have

been readily expanded but for the softness in demand and the relatively greater urgency of growing food for domestic consumption. Food production also accounts for the decline in Indonesia's production and exports of sugar and copra.

It is rather this need to provide foodgrain for their increasing populations that has seriously hampered the growth in the export potential of the ECAFE primary exporting countries. These countries have reduced their own foodgrain exports, and several other exports have had to be sacrificed in the interest of foodgrain production. War damage and civil disturbances have, no doubt, retarded the productive capacity of Burma, Indonesia, Korea, Viet-Nam, and, for a time, the Philippines. But even Thailand, which suffered little war damage, exports no more rice than before the war, despite an over 70 per cent increase in production. As was noted previously, it is basically the increased domestic consumption of food and beverages, and a greater absorption of raw materials into home consumption, that are responsible for the retarded growth of ECAFE region's primary exports. Production of black tea, in the ECAFE primary exporting countries, for instance, has increased more than world production of coffee, but exports have lagged.

Nevertheless, these tendencies are only the counterparts of the fact that productive capacity has not grown sufficiently to fulfil home demand and leave a surplus for export. No doubt, similar forces have also been operating in other primary producing areas. The population of the ECAFE area, or industrialization for that matter, has not grown faster than in Latin America. Yet Latin American food production during 1954/55-1956/57 was 41 per cent above 1934-1938, whereas ECAFE production increased by only 21 per cent. This lag in the ECAFE areas as compared with elsewhere has had magnified effects in terms of changes in the region's export trade. This, together with the relative softness in demand for the principal export commodities, explains why the ECAFE primary exporting countries have lagged behind not only the industrial countries but also the other primary exporting areas of the world in the growth of purchasing power over imports.

INSTABILITY OF PRIMARY EXPORTS

The problems of long-term sluggishness of growth in the purchasing power of exports of the ECAFE primary exporting countries have been compounded by violent short-term fluctuations in export earnings. Since a large part of current export proceeds are, in any case, required to finance imports of raw materials, food and other consumer goods deemed essential by the importing countries, the fluctuations

in total earnings magnify the repercussions on the capital import programmes for economic development. The sharp decline in capital goods imports in 1958 in several countries, following a slump in export proceeds, reveals the effects of such disturbances.

In the postwar period, from 1948 to 1958, average annual fluctuations in the export earnings of the ECAFE primary exporting countries were of the order of 14 per cent. The volume of exports fluctuated, on the average, by 9 per cent, and unit values by 12 per cent.

Table 24. ECAFE Primary Exporting Countries: Average Year-to-Year Percentage Fluctuations in Unit Value, Volume, Dollar Value and Purchasing Power of Exports, 1948-1958

Country	Dollar unit value	Volume	Dollar value	Purchasing power over manufactured goods
Burma	8	15	14	17
Ceylon	7	4	9	10
China: Taiwan ^a	10	20	15	9
Federation of Malaya-Singapore	15	8	18	18
India	13	8	11	15
Indonesia ^b	14	7	16	17
Pakistan ^b	14	12	17	20
Philippines	10	10	13	9
Thailand	8	10	10	13
Average of the above countries ^c	12	9	14	15

Source: Computations by ECAFE secretariat.

^a 1952-1958.

^b 1950-1958.

^c Weighted by 1953 dollar values of exports.

The fact that annual fluctuations in the aggregate export earnings of any country were no less than 9 per cent emphasizes the uncertainty which the primary exporting countries have faced from year to year in drawing up their import programmes, so critical for their development.

The aggregate averages for the countries listed in table 24 are lower than the regional averages, since countries with larger fluctuations, such as Cambodia-Laos-Viet-Nam and Iran, have been excluded. The individual country averages in the table also conceal the very sharp fluctuations experienced by several countries from year to year. In some cases, the export proceeds in successive years have fluctuated by 30 per cent and more. Thus, for instance, the export earnings of Malaya (the Federation and Singapore) increased between 1949 and 1950 by 44 per cent of the level in 1950 and between 1950 and

1951¹ by a further 34 per cent of the level in 1951, and then declined by 35 and 23 per cent in the two succeeding years. It is also important whether the movement in one year continues in the next, or is offset by a reverse movement. On balance, continuous upswings or downswings appear to have lasted two or three years in the postwar period.

Fluctuations in purchasing power were obtained by lagging the export proceeds and import prices of manufactured goods by one year, as a high correlation was found between changes in the value of imports and in the export proceeds of the preceding year. This is not surprising, since a majority of countries of the area depend for their imports on available foreign assets, which are affected by gains or losses arising from export earnings in the preceding year. The fluctuations in purchasing power, thus lagged, were, on the whole, and in the case of six countries out of ten higher than those in money value; that is to say, they were further aggravated by non-compensating fluctuations in the price of their imports of manufactured goods. In other words, there has been instability not only in terms of foreign exchange which a bale of cotton or a chest of tea would bring in, but also in terms of the clothing, machinery or chemicals it would buy.

Finally, the fact that fluctuations in value, on balance, are greater than in volume and unit value indicates that the volume and price movements are not of a compensatory nature, but cumulative. The most outstanding example of this is rubber, where relatively small volume increases are associated with sharp rises in prices and *vice-versa*.

The fluctuations are somewhat larger if the principal commodities are taken into account (see table 25). This is partly the result of the exclusion from table 24 of several territories with high fluctuations, and partly of the fact that total exports are relatively more stable than the principal commodities in the export trade of the ECAFE primary exporting countries. The relative stability of Ceylon's total exports is due to compensating movements in its three principal exports, namely, tea, rubber and coconut products, each of which shows a substantially higher

¹ "Since the conventional measurement of percentage changes, which state an increase in relation to the lower starting point and a decrease in relation to the higher base period, gives rise to inequalities in the statement of the degree of rise and fall and so tends to distort comparisons between them, it was deemed necessary to adopt a common base for measuring the degree of rise and fall. For the purpose of this study, the higher of two points is considered the base. This involves no departure from conventional measurement in the case of a drop in value; but in the case of a rise, the percentage change represents the degree by which the lower point falls short of the higher point, rather than the percentage change from low to high, and is therefore smaller than that obtained in the conventional manner." United Nations, *Instability in Export Markets of Under-developed Countries*, 1952, p.3 and also appendix B, pp.77-79.

degree of variability from year to year. Still larger fluctuations are apparent if country-by-commodity fluctuations are taken into account, as has been done in table 26. The largest country-by-commodity fluctuations have ranged well over 50 per cent between two successive years. Instances of such sharp movements are the prices of rubber exports from Malaya between 1949 and 1950, the volume of sugar exports from China: Taiwan between 1950 and 1951, and the proceeds from rubber exports from Indonesia between 1949 and 1950.

Table 25. ECAFE Primary Exporting Countries: Average Year-to-Year Percentage Fluctuations of Principal Primary Exports,* 1948-1958

Commodity	Unit value	Volume	Value	Purchasing power over manufactured goods ^b
Rubber	26	6	27	26
Cotton	18	18	21	17
Jute	13	18	17	19
Hemp (abaca)	14	15	21	21
Sugar	11	18	9	14
Copra	15	12	19	16
Tin	11	11	13	16
Crude petroleum . . .	10	28	27	25
Rice	8	12	13	19
Tea	8	8	14	16
Average of the above commodities ^c	15	12	19	20

Source: Computations by ECAFE secretariat.

* Coverage of countries:

Rubber: British Borneo, Burma, Cambodia, Ceylon, Federation of Malaya-Singapore, Indonesia, and Thailand.

Cotton: Burma, India, Iran and Pakistan.

Jute: Pakistan.

Hemp (abaca): Philippines.

Sugar: China: Taiwan, India, Indonesia and Philippines.

Copra: North Borneo, Ceylon, Indonesia and Philippines.

Tin-in-concentrates: Federation of Malaya-Singapore, Indonesia and Thailand.

Crude petroleum: Brunei, Indonesia and Iran.

Rice: Burma, Cambodia, China: Taiwan, Thailand and southern Viet-Nam.

Tea: Ceylon, China: Taiwan, India, Indonesia and Pakistan.

^b Value deflated by unit values of world exports of manufactured goods with one year time lag.

^c Weighted by 1953 values in export trade.

Table 26. ECAFE Primary Exporting Countries: Average Year-to-Year Percentage Fluctuations of Principal Primary Exports, 1920-1939 and 1948-1958

Commodity and country	1920-1939			1948-1958		
	Unit value ^a	Volume	Value	Unit value	Volume	Value
Rubber:						
Ceylon . . . . .	...	...	24	9	22	
Federation of Malaya-Singapore . . .	29	15	34	25	7	28
Indonesia		16	35	25	12	29
Cotton:						
India	16	18 ^b	27 ^b	25	37	33
Pakistan				15 ^c	17 ^c	23 ^c
Jute:						
Pakistan	15	14 ^b	19 ^b	13 ^c	18 ^c	17 ^c
Hemp (abaca):						
Philippines	22	14	21	14	15	21
Sugar:						
China: Taiwan . . .	20	...	...	17 ^c	31 ^c	24 ^c
Indonesia		17	24	14	51	52
Philippines		16	28	5	17	18
Copra:						
Ceylon	17	...	...	15	33	25
Philippines . . . . .		...	...	18	13	19
Tin:						
Indonesia		15	23	17	17	19
Federation of Malaya-Singapore . . .	17	16	26	10	13	15
Thailand		11	23	11	18	16
Crude petroleum:						
Brunei	11	...	...	8	9	13
Indonesia . . . . .		...	...	13 ^d	30 ^d	39 ^d
Iran		10	18	13	45	44
Rice:						
Burma	10	...	...	14 ^c	14 ^c	12 ^c
Thailand		21	17	10	17	16
Tea:						
Ceylon	12	6	14	11	3	10
India		6 ^b	13 ^b	10	15	20

Source: 1920-1939: United Nations, *Instability in Export Markets of Under-developed Countries, 1925*; 1948-1958: computations by ECAFE secretariat.

^a Import unit value in total trade.

^b India and Pakistan.

^c 1949-1958.

^d 1952-1958. * 1950-1956.

Fluctuations in the postwar period, sharp as they were, do indicate some progress towards reducing instability. The average fluctuations in the interwar period (1920-1938) in the major ECAFE export commodities were about 3 per cent greater in total and unit values (see table 27) than in the postwar period (1948-1957). On the other hand, volume changes have remained about the same, as has the average duration of upswings or downswings, namely, a complete cycle in four to five years.

Table 27. Average Year-to-Year Percentage Fluctuations in World Exports of Major Primary Products, 1920-1938 and 1948-1957

Commodity	1920-1938			1948-1957		
	Value	Unit value	Volume	Value	Unit value	Volume
Beverages	16	15	5	10	12	8
Tea	11	10	3	12	9	11
Cereals	16	12	9	15	10	11
Rice	13	12	6	12	11	8
Non-staple foods	13	14	8	7	6	6
Sugar	13	16	9	6	6	4
Oils and tobacco	14	12	6	10	8	7
Copra and oil	20	18	10	18	17	10
Fibres	17	18	7	16	15	9
Jute	18	15	13	21	16	16
Cotton	17	15	5	14	13	8
Metals	24	15	14	16	14	9
Tin	26	16	17	14	10	15
Crude petroleum	18	17	7	4	5	3
Natural rubber	33	29	13	30	25	7
Average of 32 commodities ^a	17	16	8	12	11	8
Average of nine ECAFE commodities ^b	21	18	9	18	15	9

Source: United Nations, *World Economic Survey*, 1958, p.40.

^a Weighted by value in world trade in 1953 after elimination of trend by the least squares method.

^b Weighted by value in ECAFE exports in 1953.

Table 27 also indicates that the commodity structure of ECAFE primary exports is more prone to instability than that of world primary exports. In fact, the discrepancy of fluctuations between them has been widened during the postwar years; the instability of prices of goods exported by the ECAFE countries has declined less than that of world primary exports, as compared with the interwar period.

The postwar reduction in the instability of value and prices of primary exports of the world by 5 per cent, and for commodities of importance to ECAFE trade by 3 per cent, is not at all commensurate with the great improvement in the internal economic stability of the industrial countries since the interwar years. This moderate reduction of instability has not been shared by all commodity groups equally. As a matter of fact, the groups that have experienced long-term growth, namely, beverages, crude petroleum, metals and non-staple foods, have also experienced a reduction in instability. Rubber, despite the growth in trade, has been an exception; fluctuations in this, the most volatile of the primary products, have not declined appreciably for special reasons. Fluctuations in the groups whose growth has tended to lag, namely, cereals, oils, tobacco and fibres, remained only slightly below those of the interwar period.

As regards the major individual ECAFE export commodities, tea is the most stable. However, tea did not share in the reduction in stability of other

beverages as compared with the interwar period. Petroleum earnings in the ECAFE area have varied more widely than in the rest of the world owing, in part, to the stoppage of oil exports from Iran during the period of the dispute with the major foreign owned petroleum company. Only in the case of tin was there an appreciable reduction in instability as compared with the interwar period.

However, the composition of the region's commodity export trade makes the ECAFE countries vulnerable to more violent fluctuations than is the case with other countries exporting primary commodities. The most important commodity in the region's export structure, namely, rubber, is also the most volatile; instability in the region has not declined as much as in other areas, even in the case of petroleum and sugar. The market conditions of tin have improved; those of jute and tea have deteriorated. The gains in rice, sugar, copra and oil, cotton, rubber and petroleum appear to have been small. Altogether, the improvement that has taken place in the postwar period as compared with the interwar period has been less in the ECAFE region which continues to be more affected by the problems of instability than other primary exporting areas of the world.

The major reasons for short-term instability in primary markets, on the demand side, are the cyclical fluctuations in the income and output of the industrial countries. During the postwar period, there were cyclical downswings in the United States on three occasions, in 1949, 1954 and 1958. The peculiarities of each, and its effects on ECAFE primary exports and on the ECAFE primary exporting countries, were examined in the *Economic Survey of Asia and the Far East*, 1958. It was, however, pointed out there that, owing to the increases in economic activity in western Europe, the ECAFE primary producers were not, on the whole, very adversely affected during 1949 and 1954. On the other hand, in 1958, when the decline in United States demand was associated with the faltering of industrial production in Japan and western Europe, there was a sharp decline in the export earnings of the ECAFE primary exporting countries.

The fluctuations in the interwar period were rather sharp as prosperity and depression were transmitted from one major industrial country to another, and unsound domestic policies intensified the initial impulses transmitted through foreign trade. The resulting booms and slumps in all the industrial countries led to violent fluctuations in their primary imports. In the postwar period, these have, in general, been avoided, although the experience of 1958 was an indication of what would happen if, by some concatenation of circumstances, demand for

primary exports were to contract simultaneously in all the major industrial areas. As a matter of fact, the increasing importance of Japan in the export trade of the ECAFE primary exporting countries, and the fluctuations in the volume of its imports (depending in turn on its inventory fluctuations and balance of payments prospects) remain important elements of instability in the primary export earnings of the ECAFE countries, as was the case during the 1958 recession.

Moreover, the volume instability of a number of export commodities has been increased by the growth in self-sufficiency and the development of synthetic substitutes in the importing countries. The proportion of domestic production to imports in total consumption has grown in the importing countries, and therefore fluctuations in domestic production and demand, due to climate or level of economic activity, are magnified in variations in the volume of their imports. Thus, if imports provide half of domestic consumption, a 10 per cent increase in domestic production would lead to a 10 per cent decrease in imports, total demand remaining the same. But if imports satisfy only 20 per cent of total demand, a 10 per cent increase in domestic production would reduce imports by 40 per cent. Changes in total demand would again have similar effects unless domestic production were also to undergo corresponding changes.

However, the fact that the improvement in the internal economic stability of the industrial countries has not appreciably reduced the instability of primary products in the postwar period has been due to the rather sporadic dislocations in the primary markets caused by the Korean War and the Suez crisis. In addition to their direct impact on demand, these events caused considerable speculative activity, based on a fear of interruption in supplies. The primary markets of the world have also been disturbed by specific government policies relating to stockpiling programmes and to the accumulation and reduction of surpluses.

Apart from these disturbances of demand in the industrial countries, supply changes have also contributed to the instability of the primary markets. Thus, droughts and floods have continued to affect the supply position of primary crops, particularly cereals, copra and sugar. Moreover, since production is, in the case of several primary commodities, in the hands of a myriad of peasant producers whose production decisions are governed by past experience, the familiar see-saw pattern of low output, high prices, followed by abundant output and low prices, is reproduced, accentuating the year-to-year fluctuations in volume and prices.

It has been found that, in the postwar period, the prices and volume of foodstuffs and the prices of textile fibres (but not volume) have been more predominantly affected by supply factors than by the fluctuations in the output and income of the industrial countries.¹ The trade in rice is largely intraregional; and short-term fluctuations in demand and supply have been governed principally by climatic factors. For fibres, such as cotton and jute, production and stocks in the exporting countries have contributed at least as much to fluctuations as has the instability of world consumption. However, in the case of cotton, the price levels at which the United States Government has announced its readiness to buy cotton or sell its stocks in export markets, have in recent years largely determined cotton prices, and have isolated them from the more variable impact of cotton output. Government intervention, on the other hand, has considerably influenced the variations in postwar rice and jute prices.²

Rubber and tin, however, have been subject to sharp fluctuations following the cyclical pattern of economic activity in the industrial countries and the influence of certain policies, such as strategic stockpiling. The volume of tin imported into the United States, for instance, has fluctuated, on the average, by as much as 25 per cent per annum between 1948 and 1957. The fluctuations in rubber imports—9 per cent by volume—have been considerably influenced by changes in the relative prices of imported and domestic supplies. Natural rubber prices have fluctuated sharply with the rises and falls in the total demand for all kinds of rubber; synthetic rubber prices have remained very stable. There has, consequently, been a tendency towards substitution of synthetic for natural rubber in periods of rising demand and conversely in periods of falling demand.

That natural rubber prices should fluctuate so widely whereas synthetic prices should remain relatively stable is principally because of technical and institutional factors. The demand for rubber, while sensitive to cyclical variations in industrial activity, is not very sensitive to changes in price, because the cost of crude rubber constitutes a very small proportion of the total cost of the manufactured products for which it is utilized. At the same time, when demand is strong, technical conditions make it difficult to increase output substantially. Although it is true that synthetic output could technically have been expanded in some of the postwar years, the industry was already operating at full capacity. Besides, production facilities are concentrated in a relatively small group of concerns, and, until 1954, were owned and operated by the United States Government. The

¹United Nations, *World Economic Survey 1958*, p.48.

²*Ibid.*, pp.94-95.

synthetic produce has thus been subject to administered prices. Natural rubber, on the other hand, is produced by estates as well as by innumerable peasant producers, each of whom sells his output at whatever price it can fetch on the market.

EXPORTS OF MANUFACTURED GOODS

The bulk of exports of manufactured products from the ECAFE primary exporting countries in the 'twenties originated in India, and consisted of light consumer goods, such as cotton fabrics and footwear, or finished primary products such as hessian and jute bags and coir ropes. Indian exports of these commodities, during 1927-1929, constituted 8 per cent of the total net exports from the eleven countries of the ECAFE area. By 1955-1957, manufacturing output had trebled, and exports of manufactured goods (up by 45 per cent) had increased their share to a little less than 10 per cent of total net exports of the ECAFE primary exporting countries. This small increase compares unfavourably with the world trend resulting in the doubling of exports of manufactured goods (see chart 4, page 55).

This relative stagnation in the exports of manufactured goods is due, first, to the fact that the emphasis in the industrialization of the ECAFE primary exporting countries has been on meeting home demand and on import substitution. Secondly, it has consisted of an increasing amount of processing of crude materials, which even after processing can only be classified as primary products when exported. Thus Ceylon, although a small country, possesses some two thousand factories employing thousands of industrial workers processing its tea, rubber and copra. Yet the country does not feature at all as an exporter of items commonly listed as manufactured goods. The extent of the impact of Ceylon's industrialization on exports can be seen from the changes in the composition of its exports of coconuts and coconut products. Whereas the exports of desiccated coconuts increased by 45 per cent between 1927-1929 and 1955-1957, and those of coconut oil doubled, exports of fresh nuts declined by 42 per cent, and of copra by 46 per cent.¹

Traditional exports of manufactured goods have remained stagnant owing to the same factors that have retarded the growth of primary exports. On the

¹The Philippines, however, seems to be an exception to this trend, largely because of special trade relations with its principal partner, the United States. United States revenue legislation of the thirties, extensive war damage, and the prospect of eventual liquidation of tariff preferences combined to discourage prewar expansion or postwar rehabilitation of some major export-processing plants, and weighted the balance of the export trade in favour of raw materials imported duty free into the United States. Thus, the export volume of copra in 1955-1957 was four and a half times that of desiccated coconut and a half times that in 1927-1929, while coconut oil exports fell by 41 per cent.

supply side, increased domestic consumption has been an important factor in the relative lag of exports behind production. On the demand side, world consumption of clothing has not grown *pari passu* with the rise in world incomes. As a result, world consumption of cotton textiles has increased much less than world manufacturing production. Moreover, products made from natural fibres have increasingly given way to those made from synthetic materials. The growth in the aggregate consumption of jute products has also been less than that of packing materials, and that of coir and hemp products less than that of nets and cordage. Apart from the development of alternative methods of transporting goods, such as bulk handling, paper and nylon have tended to displace jute and other hard fibres in the manufacture of packing materials and cordage. This is illustrated by the data in table 28 for the United States. However, the adverse factors mentioned above

Table 28. United States: Indices of Estimated Quantities of Jute and Shipping Sack Paper used in the Manufacture of Bags, 1940-1956 (1939 = 100)^a

Period	Jute (burlap) ^b	Shipping sack paper ^c
1940-1950	87	219
1951-1956	84	399

Source: Commonwealth Economic Committee, *Industrial Fibres*, 1958, p.178.

^a Average of 1935-1939 in the case of jute.

^b Imports of jute burlap (sacking) into the United States. The bulk of the imported burlap, and relatively little of the raw jute, is used for bag making.

^c Production minus exports.

have had less impact on the export of manufactured goods than of raw materials, since an increased proportion of raw materials, such as cotton and jute, has been diverted from export to further domestic processing before export. Thus, whereas the ECAFE volume of exports of cotton fell by 60 per cent, and of jute by 19 per cent, between 1927-1929 and 1955-1957, exports of cotton fabrics from India and Pakistan increased fourfold and those of jute manufactures declined only by 5 per cent.

With the substantial progress already achieved by the twenties, India was predominantly an exporter of cotton and jute textiles, which constituted a little less than one-fifth of its total exports. The pace of India's industrialization quickened further under the stimulus of protective tariffs during the interwar years, and the strong demand and its virtually complete isolation from competition during the war. India's cotton goods production increased rapidly, and a considerable export potential was built up. The

temporary absence of Japanese products in world markets, and the diversion of the productive capacity of the textile industries of other industrial countries to meet the wardrobe replacement demand immediately after the war made it possible for India, for some time, to make further inroads into markets in Africa and southeast Asia and even in the United Kingdom, the pioneer of world textile exports. However, this state of affairs did not last long. The decline, since 1951, in cotton textile exports from India has been due to two main reasons. First, Indian cotton fabrics began to meet increasing competition in the markets of the primary exporting countries from the synthetic products, manufactured particularly in the United States, and from cotton fabrics, manufactured in Japan. Secondly, as the primary exporting countries began to expand their own productive capacities in a drive towards industrialization and self sufficiency, they put up tariff barriers and took other measures against imports of cotton textiles to protect their developing home industries. The advanced countries, on their part, were also perturbed about the effects on their domestic industries of the imports of Asian products, and, to avert discriminatory measures, Hong Kong, India, Japan and Pakistan recently accepted arrangements to restrict cotton textile exports under self-imposed quotas.

The story of jute production is one of oversupply in a shrinking market. After partition, India increased its production of raw jute while Pakistan embarked on the production of jute manufactures. Exports of jute manufactures to the industrial countries have declined, owing to the marked drop in the offtake of the United Kingdom.

Offsetting the decline in its traditional exports and reflecting its diversified industrialization, the export structure of India now consists of a wide variety of manufactured goods made of rubber, plastics, aluminium, synthetic fibres and iron and steel, with the result that by 1957 the share of jute and cotton textiles had fallen to only 44 per cent of the exports of manufactured goods as compared with well over 80 per cent in the twenties. The manufacture of rayon fabrics, plastic goods and aluminium ware, exports of which have been increasing, is at present largely based on imported raw materials. An expansion in the exports of these goods will therefore require additional imports. India's export of engineering products, however, is a promising departure, and holds out prospects of further expansion and diversification once plans for increasing the supply of raw materials, such as iron and steel, are fully implemented. For the moment, India remains an importer of steel.

The area now constituting Pakistan was traditionally an exporter of small manufactures, such as sports goods, before the war. After partition, the country rapidly built up its cotton and jute textile mills. In cotton textiles, it has not only achieved self-sufficiency, but has even developed an export potential.

This development in Pakistan, paralleled by several other cotton textile importing countries of the world, illustrates a major problem encountered by the cotton textile exporting countries of the region. These importing countries have invested a considerable proportion of their available resources for industrialization into the development of cotton textile industries. This was inevitable, since clothing constituted a basic need and the cotton textile industry could be set up quite easily. Self-sufficiency in cotton textiles, as in cereals, has been a prime objective of many economic development plans in the underdeveloped countries. Even on the assumption that this effort can be justified on the basis of alternative use of resources, this situation remains comfortable only till the point of self-sufficiency is reached. But when export potentials are exploited, they aggravate the situation by adding to the already serious glut in a market which is lagging behind as a whole. In fact, the advanced cotton textile exporting countries, Japan for instance, have increasingly switched over to the production of goods in strong demand, such as machine tools, and electronic equipment. On the other hand, the concentration in the less developed countries on the production of soft items, such as cotton textiles (and cereals), only reflects the increasing inequality between them and the advanced countries of the world. Of course, the exporting countries of the region are faced with an increasing number of competitors in a dwindling market, protected as it still is by tariff walls and import restrictions.

In short, it appears that industrialization, as it has proceeded so far, has been able neither to contribute substantially to the export earnings of the ECAFE primary exporting countries nor to reduce materially the predominance of soft items in their export structure. Only India has made a beginning with goods in strong demand; it is, however, faced with increasing competition owing to the substantial productivity gains made by industrial countries supplying the same goods. Unless Indian productive capacity and efficiency increase rapidly, it will encounter increasing competition, even in its exports of metal goods, from the already advanced industrial countries or the rapidly industrializing centrally planned economies. And before the other countries of the region draw up plans for the development of manufacturing industries, based on export expectations, they should carefully examine the question of potential markets and their competitive efficiency.

IMPORTS OF ECAFE PRIMARY EXPORTING COUNTRIES

THE DEMAND FOR IMPORTS

The growth in the imports of ECAFE primary exporting countries, 63 per cent between 1928 and 1955-1957 (see table 17, page 55), has been considerably higher than the 22 per cent increase in exports. During the 'thirties both imports and exports declined from the 1928 level, and the export surplus of the 'twenties changed into an import surplus. This was financed by specie exports. The postwar period has witnessed a liquidation of foreign assets accumulated from wartime export surpluses, and an inflow of foreign aid, principally from the United States and international agencies. The need for imports, however, is far from satisfied; several countries have maintained strict import and exchange controls to restrict the volume of imports, to obtain goods only on a basis of priority allocation, and to prevent capital exports and expenditure on service items such as tourist travel.

Perhaps the most important factor on the demand side that has altered the import level and structure of the ECAFE primary exporting countries is the *growth of population*. The population of south, central, and southeast Asia¹ increased roughly by about 230 million persons, or 48 per cent, between 1928 and 1957; this increase by itself considerably expanded the market for imports. If available indices are correct, the growth in food output fell short of the population growth. The decline in *per capita* foodgrain production in the Burma-India-Pakistan area, with over two-thirds of the total foodgrain production of the ECAFE primary exporting countries, accounted for the change in the position of the group from a net exporter to a net importer of cereals. Gross imports of foodgrains constitute a larger proportion of total imports in 1955-1957 than in 1928, despite the attempt by several countries to grow more grain to reduce imports, even at the cost of reducing exports of other primary products, such as sugar, cotton and jute.

The somewhat Malthusian situation with regard to food production has led to net imports of cereals, and consumption of other imports has continued to grow as in the 'thirties. Many primary exporting countries of the region have given a prominent place to *industrialization* in their economic development plans. However, only a few have established industries on a sufficient scale to influence the level and structure of imports significantly. India had already developed several industries before the war, and after the war, as India made further progress, notable

advances were made in the area at present constituting Pakistan, in China: Taiwan, in the Philippines and, recently, in southern Korea.

The principal objective behind the industrialization of the ECAFE primary exporting countries has been to attain a condition of self-sustained growth, generating continuous expansion at an increasing pace. It has, in its initial stages, taken the form of import substitution and processing of domestic raw materials. The further processing of domestic raw materials has reduced imports of finished goods, but has had the opposite effect on exports, noted above. Imports, instead of arriving in a finished form, are now obtained in various stages of "unfinishedness", and are processed to a finished stage before they are available on the domestic markets for sale. An extreme example of this trend is that a number of previously imported commodities are now produced at home with little or no import content. However, except perhaps for India, no country has really embarked upon the production of capital or similar goods—building materials being a notable exception. The emphasis has been on producing consumer goods. Textiles have been the favourite, but other industries include sugar refining, edible oils, aerated waters and alcoholic beverages, tobacco products, footwear and leather goods, domestic utensils. Considerable growth has also taken place in the productive capacity of utilities such as roads, railways, power plants, telecommunication facilities, and also of building material industries such as cement, bricks and tiles, since both categories are prerequisites for industrialization.

These developments have stimulated imports of raw materials or intermediate goods, such as cotton, coal, crude petroleum and petroleum products, gypsum, aluminium sheets; they have increased domestic utilization and reduced exports of primary commodities, such as cotton, jute, groundnut, raw tobacco, hides and skins, as noted in the previous section. On the other hand, imports of finished consumer goods, directly competing with domestic products, have dwindled, owing to the protective measures taken by the governments of the primary exporting countries.

The *changes in the levels and distribution of income* have had diverse effects on imports. The progress of industrialization in the ECAFE countries seems to have been accompanied by increased inequality of incomes. The incomes of industrial workers and employers, and purveyors and traders have risen much more than those of other groups. Wartime and postwar inflations have further accentuated the inequality of income in favour of industrial producers and traders of goods, at the expense of fixed income groups and peasant producers. The latter have been unable to make headway owing to

¹ For coverage of countries, see p.76, footnote (2).

their weak bargaining position. As for the small countries, which had relatively larger export earnings, the benefits have accrued largely to the export sectors of the community, although, on the whole, they have been more diffused under the influence of the welfare state than have the gains from industrialization. Since the rate of industrialization, inflation and export improvement in the countries of the region has varied, the income effects on consumption and imports have been far from uniform. In general, increases in incomes, combined with social factors, have given rise to an increase in the imports of consumer goods, including consumer durables. Thus, there has been an increasing *per capita* demand for newsprint and books with the growth of literacy; for canned milk, drugs and medicines with the growth of health consciousness; for films, radios and television sets (for amusement), and for refrigerators, airconditioners and other appliances (for household use), and petroleum and motor cars (for transportation), with the growth in urbanization.

Consumption by governments has also increased. In general, governments throughout the world have assumed broader responsibility than in the twenties and the thirties for economic and social welfare. The welfare goals of the advanced countries are being emulated with great zeal by the ECAFE countries, many of whom have recently emerged from colonial dependence. Independence has also brought with it the sharing of the burden of military expenditure, which is now heavier than before the war, despite the assistance from the industrial countries.

However, the ever widening expansion in the postwar demand for consumer goods imports had to be kept in check, owing to the presence of another element in the picture during the postwar period. The primary exporting countries of Asia are now, and more than ever before, conscious of the poverty of their lot and are resolved to better it. These countries, therefore, are making a strong effort, in relation to their income and other pressing needs, to increase *investment* in order to raise their levels of income. The desire to telescope a hundred years' progress into twenty or thirty, and the pressing need to provide productive equipment for their expanding labour force and, in some countries, to maintain *per capita* levels of food, have forced them to adopt a policy of discouraging imports of less essential consumer goods.

Fluctuations in their export proceeds and in their harvests have led in the primary exporting countries of the region, whether rapidly industrializing or not, to violent short-term fluctuations of imports. Their import policies have been liberalized or made more restrictive, and priorities altered, to suit emergency measures of a stop gap nature, sometimes to improve

the supply situation, sometimes to rectify the payments position. In several countries, it has not been possible to pursue, with some consistency, a policy of strengthening the payments position. Bad harvests (or domestic inflation) have suddenly made it necessary to import large amounts of food (and other consumer goods) to relieve acute shortages; falling export proceeds have left little room for importing anything else, or have depleted foreign assets, to the detriment of economic development and the payments position.¹

SUPPLY SITUATION

The supply situation is relatively easier. The tremendous gains in agricultural production made by the North American countries during the war overshadowed the smaller gains in productive capacity in the primary exporting countries of Asia in cereals, cotton and tobacco. In contrast with the reduced export availabilities in the primary exporting Asian countries, North America, particularly the United States, has accumulated large surpluses on government account in pursuit of measures to maintain farm incomes.

In the early postwar years, the rice supply situation was serious, and importing countries were forced to pay very high prices for imports. The prices of other cereals, largely imported from outside the region, were relatively lower, but the ECAFE importing countries were encountering difficulties in converting their earnings and assets into hard currencies. This restricted their imports of cereals from Argentina, Canada and the United States, the three principal suppliers apart from Australia. Similarly, imports of sugar from Cuba had to be paid for in hard currencies and were kept at a low level; Indonesia had no surplus for export and the Philippines' exportable surplus was fully pledged to the United States. In any case, it could only be paid for in hard currency.

However, as production in the primary exporting countries of Asia recovered, and greater convertibility of their export earnings was achieved owing to the improvement in the payments situation of the sterling area, these countries acquired greater flexibility with respect to imports. An additional factor easing the supply situation has been the bilateral arrangements under United States Public Law 480, enabling importing countries to receive agricultural products from the surplus stocks of the United States without incurring foreign exchange expenditure. These factors and the general improvement in the supply situation have eased the prices of major primary commodities imported by the ECAFE countries, namely, cereals, sugar, cotton and tobacco.

¹ On the other hand, these bursts of austerity have given rise to "spending sprees", in the reverse situation, as happened in 1957.

An excess supply has also developed in world markets for cotton textile fabrics. Aggregate demand has failed to rise *pari passu* with incomes, and increased productive capacity in importing primary producing countries has reduced their import demand. In fact, before the First World War, India and China alone, although large producers of raw cotton, accounted for about half of total world imports of cotton goods, a quantity roughly equal to total world trade in cotton goods at the present time. India and China have now emerged as net exporters of cotton fabrics. The major changes in the postwar supply situation for cotton textile fabrics as far as the ECAFE primary exporting countries are concerned have been the re-entry of Japan (now deprived of its former possessions), the entry of the United States made possible by shortages during and after the war, and the emergence of China, Hong Kong and India as serious competitors to the predominant position occupied by western European nations, particularly the United Kingdom. The former exporting industrial countries, Japan included, are making an attempt to switch their exports of light consumer goods to electronic products, metal goods and machinery. The task of altering the structure of industry from its dependence on the old and established industries such as the cotton textile industry in the United Kingdom to suit changed postwar conditions has not been easy. Indeed confronted with sluggish demand on the one hand and immobility of labour on the other, cotton textiles industries both in the United Kingdom and the United States have sought protection in their domestic markets from imports from Hong Kong, India, Japan and Pakistan.

The availability of capital goods was also relatively tight in the earlier postwar years. During this period, the United Kingdom and the United States supplied an overwhelming share of the capital goods requirements of the countries of the region. The United Kingdom, despite its longer delivery dates, maintained the lead, as restrictions were placed on dollar imports. However, the United Kingdom's share has declined owing to the rapid recovery and expansion of the export capacity of the war-devastated economies of Germany, other European countries and Japan, the free convertibility of currencies, increased United States Government assistance and credit provided by the private exporters of capital goods from the Federal Republic of Germany and the United States. Among the newcomers selling machinery are mainland China and India, the Soviet Union and several eastern European countries. The world capital goods market has become more competitive than it was either in the 'twenties or in the early postwar years. Relative costs and prices have come to count

for more than mere availability, delivery dates or even financing arrangements. However, the suppliers appear to concentrate on different fields. United Kingdom exports reveal emphasis on transport equipment, such as passenger cars and bicycles, although the Federal Republic of Germany is rapidly catching up; Japan and the United Kingdom occupy a predominant position in textile machinery, although mainland China has already entered the field; the United States has been the major supplier of commercial vehicles, road-making machinery, and aircraft.

The major inadequacy with respect to capital goods is not their supply but their suitability. The technological progress of the industrial countries in western Europe and North America was geared to their efforts to evolve labour-saving methods and equipment. This, however, is unsuitable to the needs of the ECAFE primary producing countries, with their large reserves of manpower. In general, the importing countries have been conscious of the need to avoid predominantly labour-saving investments, particularly in agriculture. But such possibilities in the manufacturing industry have remained limited. On their part, the capital goods exporting countries have not met the challenge to adapt the technical design of machinery and tools to the particular requirements of the under-developed economies. The problem was raised some years ago in the joint ECAFE-ECE-FAO *Study of Trade between Asia and Europe*. It pointed out that western Europe was more advantageously placed in this respect than the United States, both because overseas markets were of greater importance to the industrialized European countries than to the United States, and because the trend towards automation had proceeded much further in the United States than in Europe. On the other hand, Europe's advantage in this respect is probably less great than that of mainland China or Japan. So far, products of these countries have followed only the Western patterns.

THE TRADE IN CEREALS

The growth of the population of south, central, and southeast Asia¹ by 48 per cent between 1928 and 1957 was more concentrated in the postwar period, following the decline in death rates consequent upon the progress made in private and public health measures.²

¹The countries or territories covered include—south central Asia: Afghanistan, Bhutan, Ceylon, India, Maldive Islands, Nepal, Pakistan, Portuguese India; southeast Asia: Bouin Islands, Brunei, Burma, Cambodia, Federation of Malaya and Singapore, Thailand, Viet-Nam and West New Guinea.

²See United Nations, *Economic Bulletin for Asia and the Far East* (June 1959), p.11.

The production of cereals over the last three decades cannot be estimated with any precision for the identical geographical area or period. Data on production for 1927-1929 are available for only ten of the ECAFE primary exporting countries; according to these figures, there was a 9 per cent increase in foodgrain production (excluding millet and sorghum) between 1927-1929 and 1934-1938 (see table 29). Even so, the data for India (then including Burma and Pakistan) are somewhat inadequate, as several of the native states were excluded from the coverage of what was then termed British India. If we revert, therefore, to the League of Nations indices of agricultural production for Asia as a whole, we find that there was a 4 per cent increase between 1928 and 1934-1938.¹ It may therefore be assumed that cereal production increased by 6 per cent between 1927-1929 and 1934-1938. The cereal production of the thirteen

countries of the ECAFE area² increased from 85 million tons (rice taken on a "clean" basis) during 1934-1938 to 105 million tons in 1955-1957—an increase of 24 per cent. The aggregate increase in cereal production between 1927-1929 and 1955-1957 comes to 30 per cent. In other words, the average *per capita* production of cereals in the region has fallen.

However, some uncertainty attaches to this observation. The result is partly influenced by the high weightage of Indian production figures, which indicate a 6 per cent *per capita* decline between 1934-1938 and 1955-1957 (table 30). The comparability of prewar and postwar statistics of India's production of foodgrains is questionable. The present statistics differ qualitatively from prewar statistics since they are now obtained by the use of scientific sampling methods as compared with visual estimates before the war. Even if Indian figures were adjusted upwards, the net *per capita* position in 1955-1957 might still remain adverse as compared with 1927-1929.

Even though production estimates are questionable, there is no doubt that the cereal exports of the primary exporting countries of the region have declined from the levels of 1927-1929. Excluding the triangular trade between Burma, India and Pakistan, gross aggregate cereal exports of ten countries³ had declined to 3.1 million tons by 1955-1957 from 4.4 million tons during 1927-1929. The decline was primarily due to Burma and Iran. Gross imports, on the other hand, have risen to 5.4 million tons, from the 1927-1929 level of 2.3 million tons. In other words, the ten countries of the region have changed from a net exporter of 2.1 million tons to a net importer of 2.3 million tons—a difference of 4.4 million tons. The reduction in exports is spread over all the cereals—rice predominating. The increase in imports is mainly of wheat, secured from countries outside the region. Both exports and imports have fluctuated rather sharply, depending on changes in production. In the aggregate, the gross volume of present trade is of the order of 6 per cent of current production. This trade, however, is of critical importance to the exporting and importing countries alike. For the exporting countries, such as Burma, Cambodia and Thailand, it is the most important source of export earnings; for the importing countries, it provides the crucial margin necessary for the avoidance of famine conditions, unstable prices and speculative hoarding of food.

² Burma, Cambodia, Ceylon, Federation of Malaya-Singapore, India, Indonesia, Iran, Laos, Pakistan, Philippines, Thailand and Viet-Nam.

³ See footnote (a), table 29.

Table 29. ECAFE Primary Exporting Countries:
Production of and Trade in Cereals, 1927-1929,
1934-1938 and 1955-1957
(Million tons)

Cereal	1927-1929	1934-1938	1955-1957
<i>Production^b of cereals</i>			
Rice (milled)	42.2	45.0	58.1
Wheat	10.5	12.5	15.1
Barley	3.2	3.2	4.0
Maize	4.3	5.0	6.3
Millet and Sorghum . . . . .	...	14.1	15.1
TOTAL . . . . .	...	79.8	98.6
Total (excluding millet and sorghum)	60.2	65.7	83.5
<i>Gross exports</i>			
Rice (milled)	3.8	3.3 ^c	2.9 ^c
Wheat	0.2	0.3	—
Maize	0.2	0.1	0.1
Millet and sorghum	0.2	0.1	—
TOTAL	4.4	3.8 ^c	3.1 ^c
<i>Gross imports</i>			
Rice (milled)	2.0	1.6 ^d	2.0 ^d
Wheat	0.2	0.4	3.3
Maize	—	—	0.1
Millet and sorghum	0.1	0.1	—
TOTAL	2.3	2.1 ^d	5.4 ^d

Source: League of Nations: *International Trade Statistics, 1927-1929*; United Nations Food and Agriculture Organization: *Yearbook of Food and Agricultural Statistics*.

^a Burma, Ceylon, Federation of Malaya-Singapore, India, Indonesia, Iran, Pakistan, Philippines and Thailand.

^b Excluding several Indian states.

^c Excluding exports of Burma to India and Pakistan of approximately 2.1 million tons in 1934-1938 and 0.4 million tons in 1955-1957.

^d Excluding imports of India and Pakistan from Burma.

¹ See p.54, footnote (2).

If however, the production increase of 30 per cent is not an underestimate, and in fact the net position in trade changed by about 6 per cent of production, the 36 per cent increase in the net supply of foodgrains would indicate a decline in *per capita* consumption levels over the three decades, and a stagnation at the 1934-1938 level, so far as the major part of some one quarter of the population of the world is concerned (see table 30). However, this superficial observation on a regional basis hides significant quantity differences between individual countries, and quality differences in the foodgrains consumed. There has been a significant shift from inferior cereals to rice and wheat. Between the latter two major cereals, the sharp rise in postwar rice

prices has favoured a substitution of the cheaper wheat for rice. As noted below,¹ this substitution was also the result of a change in food habits in several countries, brought about by the reduction in rice supplies forced upon them because war operations cut off their traditional sources of supply. The quantitative changes also require to be carefully interpreted. The declines in some countries such as India are not quite certain owing to the statistical difficulties mentioned above; the declines in other countries reflect a lower preference for cereals as income levels rose. In this sense, they are a symptom of the population being better off rather than worse off.

¹ See page 82.

Table 30. ECAFE Primary Exporting Countries: Apparent Consumption of Cereals, 1934-1938 and 1955-1957
(Production and trade in million tons; population in millions; per capita consumption in kilogrammes)

Country and Period	Production	Gross exports	Gross imports	Apparent consumption	Population ^a	Per capita apparent consumption
Burma:						
1934-1938	5.0	3.1	—	1.9	15.6	125
1955-1957	4.3	1.7	—	2.6	20.1	129
Ceylon:						
1934-1938	0.2	—	0.6	0.8	5.7	139
1955-1957	0.5	—	0.7	1.2	9.2	134
China: Taiwan:						
1934-1938	1.1	0.7	—	0.4	5.5	94
1955-1957	1.5	0.1	0.2	1.6	9.5	169
Federation of Malaya—Singapore:						
1934-1938	0.4	0.2	0.8	1.0	4.9	198
1955-1957	0.5	0.1	0.8	1.2	7.7	163
India:						
1934-1938	48.0	0.6	2.2	49.6	304.3	163
1955-1957	57.9	0.1	2.0	59.8	392.4	152
Indonesia:						
1934-1938	6.2	0.1	0.4	6.5	67.4	96
1955-1957	9.9	—	0.7	10.6	85.1	125
Iran:						
1934-1938	3.0	0.1	—	2.9	16.2	179
1955-1957	3.9	—	—	3.9	19.3	204
Pakistan:						
1934-1938	12.0	0.4	—	11.6	66.0 ^b	176
1955-1957	13.3	0.1	1.0	14.2	84.4	168
Philippines:						
1934-1938	2.0	—	0.1	2.1	15.4	136
1955-1957	3.2	—	0.4	3.6	22.7	159
Thailand:						
1934-1938	3.1	1.4	—	1.7	14.5	116
1955-1957	5.1	1.4	—	3.7	21.1	175
Above countries:						
1934-1938	81.0	6.6	4.1	78.5	515.7	152
1955-1957	100.1	3.5	5.8	102.4	671.5	153

Source: United Nations Food and Agriculture Organization, *Yearbook of Food and Agricultural Statistics*, 1956 and 1958.

^a 1937 and 1957 populations.

^b United Nations, *Economic Survey of Asia and the Far East*, 1955, p.194.

Table 31. ECAFE Primary Exporting Countries:
Area under Cereals, Area under Irrigation,
Consumption of Commercial Fertilizers
and Tractors in use in Agriculture,
Prewar and Postwar

Country	1934-1938	1948-1952	1955-1957
Area under cereals^a			
(million hectares)	104.4	120.8	133.5
India	67.9	78.4	87.0
Indonesia	5.9	7.9	8.8
Iran	2.4	3.1	4.2
Pakistan	13.1	15.3	15.6
Philippines	2.7	3.3	4.5
Thailand	3.4	5.2	5.3
Total area under irrigation^b			
(million hectares) . . . . .	...	32.4 ^c	39.5 ^d
India . . . . .	...	19.0	22.0
Indonesia . . . . .	...	2.9	5.1 ^d
Pakistan . . . . .	...	8.7	9.5
Thailand . . . . .	...	0.6	1.4
Consumption of commercial fertilizers^e			
(thousand tons)	65.3	170.4	340.7
Ceylon	13.4	37.5	58.1
India	17.7	77.8	191.0
Indonesia	21.5	17.7	33.5
Pakistan	6.0	5.1	32.8
Philippines	6.6	32.1	24.7
Tractors used in agriculture^f			
(thousand) . . . . .	...	14.0 ^g	29.6
India . . . . .	...	8.4	18.4
Pakistan . . . . .	...	0.8	3.9
Philippines . . . . .	...	4.3	5.8

Source: Food and Agriculture Organization, *Yearbook of Agricultural Statistics, 1953, 1956 and 1958*.

^a Burma, Ceylon, China: Taiwan, Federation of Malaya-Singapore, India, Indonesia, Iran, southern Korea, Pakistan, Philippines and Thailand.

^b North Borneo, Burma, Federation of Malaya-Singapore, India, Indonesia, Pakistan, Philippines and Thailand.

^c 1949 or 1950.

^d 1952 for Indonesia.

^e In terms of nitrogenous, phosphate and potassium content. Burma, Ceylon, India, Indonesia, Pakistan and Philippines.

^f British Borneo, Burma, Cambodia, China: Taiwan, India, Indonesia, Laos, Pakistan, Philippines, Singapore and southern Viet-Nam.

^g 1949-1952.

Consumption levels would have really fallen and the famines of the type experienced before the war would have been much more acute and frequent if the primary exporting countries of the region had not achieved even the meagre success they did in their food production drives, particularly during the postwar period. These countries, in their postwar plans of economic development, have given the highest priorities to, and made sizable investments in, increasing foodgrain production. New land has been brought under crops, the scope of irrigation has been extended to reduce the extreme dependence on local rainfall, and increased outlays have been made on the application of improved seeds and fertilizers, and, in a few cases, of mechanized farm equipment (see table 31). Extension programmes have been carried out, although rather unevenly among different countries, to transmit

improved agricultural practices to the peasant in the fields. As a result, during the postwar period, agricultural (including cereal) production has expanded at a rate faster than population, although the gap between the 'twenties and the 'fifties caused by stagnant production in the 'thirties and war damage in the early 'forties remains to be filled.

Despite the progress made, the critical need to import staple foods has forced the ECAFE primary exporting countries to divert a not negligible proportion of their foreign exchange earnings from capital goods imports necessary for economic development. Between 1927-1929 and 1955-1957, their net balance on cereals changed from \$128 million net earnings to a net expenditure of \$237 million in terms of 1955-1957 purchasing power over manufactured goods. In a way, this adverse situation has deprived the area of one-fourth of the increase in its total export earnings that it secured in this period of about three decades.¹

CHANGES IN THE STRUCTURE OF IMPORTS

Chart 6 shows that the industrial countries have maintained their share as suppliers of almost two-thirds of the import requirements of the twelve ECAFE primary exporting countries for which trade figures are available. However, considerable changes have taken place in the supplying countries or groups of countries between the early postwar years and 1955-1957. War operations had reduced the export capacities of western Europe and Japan during 1949-1951; North America had filled their place with increased exports of food, raw cotton, textile products and machinery. The recovery of Japan and western Europe by 1955-1957 has practically enabled them to recapture their immediate prewar (1938) shares, although western Europe is still far from regaining the position it occupied in the late 'twenties.

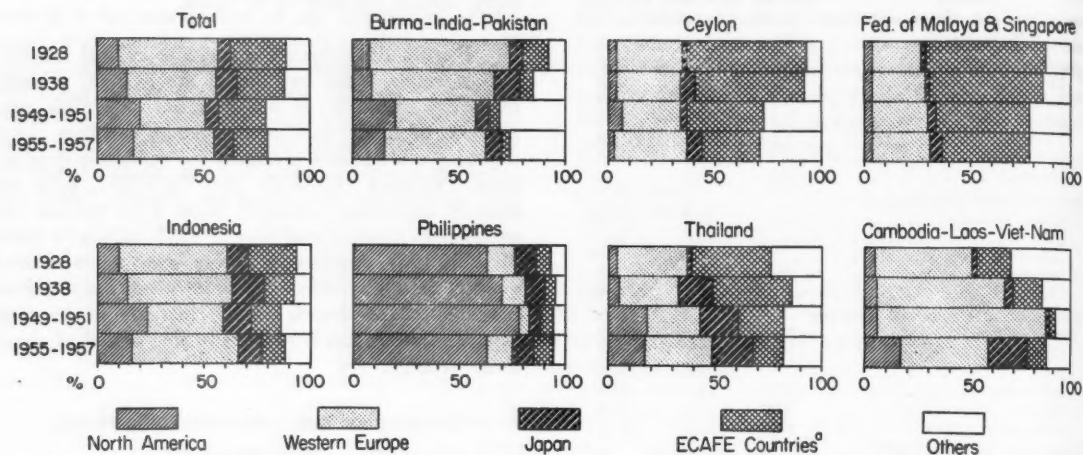
There has been a decline in the percentage share of imports of the twelve ECAFE primary exporting countries from each other. To a large extent, this reflects the fact that ECAFE exports which were in good demand—particularly rubber, copra and tea—have gone to industrial countries; their cereal exports, which are sent mainly to the primary producing countries of the region, have declined. Philippine sugar exports have gone to the United States; Indonesian sugar is practically out of the

¹ The precarious position in respect of food has made the area's development programmes a gamble on the weather. Poor harvests deprive the exporting countries of their export earnings which depend critically on cereals; the importing countries are forced to give up other essential imports in their scramble for food. The various crises faced by India in its postwar economic development illustrate the extent of the influence of this instability arising from oscillations in foodgrain harvests.

Chart 6

ECAFE Primary Exporting Countries: Distribution of Imports, by Areas of Origin
1928, 1938, 1949-1951 and 1955-1957

(Per cent of total imports at current value)



Source: League of Nations, *Network of International Trade*; United Nations, *Direction of International Trade*.

^a Twelve ECAFE countries listed in the chart.

market. India and Pakistan have sold more textiles, but not enough to reverse the declining trend in intra-regional trade. Even within the ECAFE area, the primary exporting countries have lost markets to other primary producing areas of the world, in petroleum to the Near East, in sugar to Latin America and China: Taiwan (not included in the above group), in rice to mainland China, in wheat to Argentina and Australia. This is in addition to the loss of markets in cereals, cotton and tobacco to North America.

Table 32 shows the commodity structure of imports of the twelve ECAFE primary exporting countries from the industrial countries. Formerly predominant suppliers of consumer goods, they have maintained their share as suppliers of the area's imports by switching to exports of capital goods. Indeed, although the share of capital goods (machinery, transport equipment and steel) in the total imports of ten of the twelve ECAFE primary exporting countries from the industrial countries rose from 26 per cent in 1928 to 37 per cent in 1955-1957, the volume of capital goods imported rose by about two and a half times the 1928 level. That the growth is only recent may be seen from the fact that the percentage of capital goods in total imports from the industrial countries was only 24 in 1938 and 25 in 1949-1951. The volume in 1938 was one-eighth

lower than in 1928, and during 1949-1951 about one-third higher. Progress has been more consistent and more significant in the other two countries—India and Pakistan. The share of capital goods imports increased from some 23 per cent of the total imports from industrial countries in 1928 to 38 per cent during 1949-1951, and 57 per cent during 1955-1957. In spite of the rapid expansion of India's production of steel and machinery and transport equipment. In addition to the increase in imports of capital goods from the industrial countries, the industrialization of the area has been reflected in the decline in the volume and share of textiles in imports. The volume of textile imports of the group of ten countries has remained rather stable, except during 1949-1951, when there was an upsurge in demand for clothing pent up during the war. The share of textile imports by the ten countries from the industrial countries has declined; the primary producers in the region, India in particular, have captured part of the market. The progress of India and Pakistan in textile production is reflected in the continuing decline of the share of textiles in total imports from the industrial countries, from 44 per cent in 1928 to 30 per cent in 1938, 16 per cent in 1949-1951 and 5 per cent during 1955-1957. Industrialization has also increased imports of chemicals, the share of which in the total imports of the twelve countries has doubled and the volume

trebled since 1928. The increase in productivity and surpluses in North America has increased exports of cereals, although the sharp rise during 1949-1951 reversed itself with the subsequent increase in the productivity of the cereal importing and exporting countries of the region.

Table 32. ECAFE Primary Exporting Countries: Commodity Composition of Imports from Western Europe, the United States and Japan, 1928, 1938, 1949-1951 and 1955-1957

Commodity and period	Value in million \$ at 1950 constant prices		Per cent of total imports	
	Ten ECAFE countries ^a	India and Pakistan	Ten ECAFE countries ^a	India and Pakistan
Food, drink and tobacco:				
1928	64	46	6	4
1938	82	27	8	4
1949-1951	161	99	11	10
1955-1957	130	28	7	2
Metals and manufactures (excluding steel):				
1928	55	80	6	7
1938	48	60	5	9
1949-1951	72	60	5	6
1955-1957	119	96	6	7
Steel:				
1928	75	91	7	8
1938	48	13	5	2
1949-1951	67	40	5	4
1955-1957	160	234	9	17
Machinery and transport equipment:				
1928	192	171	19	15
1938	187	146	19	22
1949-1951	288	338	20	34
1955-1957	515	551	28	40
Chemicals:				
1928	37	46	4	4
1938	45	40	4	6
1949-1951	95	79	7	8
1955-1957	147	124	8	9
Textiles:				
1928	285	503	29	44
1938	296	199	30	30
1949-1951	358	159	25	16
1955-1957	317	69	17	5
All other commodities:				
1928	286	206	29	18
1938	296	179	29	27
1949-1951	392	218	27	22
1955-1957	445	275	24	20
Total:				
1928	994	1,142	100	100
1938	1,002	664	100	100
1949-1951	1,433	993	100	100
1955-1957	1,833	1,376	100	100

Source: United Nations, *Study of Trade between Asia and Europe*, and national sources.

^a Burma, Ceylon, Cambodia-Laos-Viet-Nam, Federation of Malaya-Singapore, Indonesia, Philippines and Thailand.

As described earlier, these structural changes reflect the varying effects of demand factors such as population growth, changes in the levels and distribution of incomes, growth in the domestic production of food and manufactured goods and the acceleration of investment. India and Pakistan provide a clear example of countries where industrialization has drastically altered the import pattern of the 'twenties. They also provide an illustration of curtailment of the propensity to import—strong on the part of the wealthy groups—by heavy taxes and import restrictions,¹ failing satisfactory progress in exports. High import priorities have been given only to food and productive equipment. Ceylon, on the other hand, is an example of a relatively better off export economy, where, despite heavy import taxes levied for fiscal purposes, the growth in population and the operation of income elasticities have been allowed almost free play with respect to imports.² Agricultural productivity has increased, although industries, except one or two, have not yet been developed; the increase in investment has been secured without restricting consumption imports. The Philippines stands somewhere in between; exports have improved but not as much as in Ceylon; industries have been established but not as extensively as in India. Population and *per capita* incomes have risen; imports have been restricted, although, in practice, the administration of import licensing has been less stringent than in India. The following case studies bring out the salient aspects of the impact of these diverse influences on the structure of imports.

Burma-India-Pakistan

In 1957, the population of Burma, India and Pakistan was 497 million persons—an increase of about 44 per cent above 1928. The effect of the population increase has been most direct on cereals, as has been pointed out above.

The level of *per capita* income in India and Pakistan in the 'thirties appears to have remained stationary or even declined somewhat. According to available estimates, *per capita* consumption levels fell. This was because agricultural production grew at a slower rate than the population. This adverse situation with respect to food was offset, although not completely, by a rise in *per capita* consumption of textiles and other products of industry, reflecting, to some extent, the effects of increased inequality of incomes on the demand side, and industrialization on the supply side. Estimates of total investment during

¹These, in turn, have stimulated domestic production and further reduced the need for imports.

²Undoubtedly, short-term restrictions have been imposed in the wake of declines in export earnings or a fall in foreign assets to a level deemed critical, but these policies were quickly reversed when export conditions improved.

the period are not available. Industrial investment rose, although the stagnation of agriculture during this period of depression and its aftermath tends to suggest that agricultural investment might have remained stationary or even declined, as a whole, and undoubtedly so in relation to population growth. In the 'fifties, however, *per capita* consumption levels rose in India and Pakistan with the progress made in agriculture and industry under their economic development plans; investment also increased rapidly. In Burma, too, in the face of reduced production, foodgrain consumption increased during the postwar period at the expense of exports.

In the field of industrialization, India's textile industry was first launched in the eighteen eighties, and the Tata steel works were established in 1907. The high import duties levied for fiscal purposes at the end of the First World War were followed by a more consistent policy of industrialization in the interwar period, during which protective tariffs were established for the benefit of iron and steel, cotton textiles, match, paper and pulp, heavy chemicals, salt and sugar industries. Except for cement, steel and

some non-ferrous metals, the emphasis in Indian industrialization was on consumer goods. The shortage of outside supplies and military demands during the Second World War stimulated a further substantial expansion of these industries, and the establishment of light engineering industries producing consumer durables and smaller machines and tools. The chemical industries also advanced rapidly. With partition from India and independence, Pakistan found itself with surpluses of agricultural raw materials, such as cotton and jute, and no industry. A programme of rapid industrialization was pursued, and the country soon became self-sufficient in cotton textiles, and developed an exportable surplus. Burma, on the other hand, has made little progress with industry, and depends on imports from India and from the industrial countries for manufactured products.

The changes brought about by these developments, primarily on the demand side, in the structure of imports into Burma, India and Pakistan can be seen from table 33. Instead of being a net exporter, the subcontinent has become a net importer of cereals;

Table 33. Burma-India-Pakistan: Commodity Structure of Imports, 1928 and 1957
(Per cent of total imports)

Commodity	1928	1957 ^a			
		Burma, ^a India and Pakistan ^b	Burma ^c	India ^c	Pakistan ^c
<i>Food, drink and tobacco</i>	19.3	17.9	9.1	18.1	32.5
Cereals . . . . .	...	13.7	1.2	14.3	26.4
Sugar	7.2	0.6	0.8	0.1	3.4
Liquors	1.7	0.1	0.1	0.1	0.1
Manufactured tobacco	1.0	0.2	0.3	0.1	0.2
Other food	9.4	3.3	6.7	3.5	2.4
<i>Raw materials</i>	21.8	32.9	20.8	34.7	25.9
Chemicals (excl. medicines)	2.1 ^d	5.0	4.2	5.3	2.1
Cotton, raw	2.3	3.8	—	4.3	1.4
Cotton yarn	2.9	1.0	9.9	0.3	0.5
Iron and steel	2.1	12.7	4.5	13.0	10.8
Base metal	9.9	3.2	0.9	3.6	1.7
Crude petroleum	—	2.2	—	2.6	—
Other raw materials	2.5	5.0	1.3	5.6	9.4
<i>Manufactured goods primarily for consumption</i>	42.0 ^e	20.9	46.0	18.7	20.3
Cotton fabrics	25.5	2.8	18.7	2.0	0.5
Mineral oils	4.8	6.7	6.6	6.9	4.3
Medicines . . . . .	...	1.8	4.8	1.4	2.4
Other manufactured goods	11.7 ^e	9.6	15.9	8.4	13.2
<i>Machinery and transport equipment</i>	13.1	27.1	21.1	27.3	20.6
Machinery	7.6	20.2	12.9	20.6	15.2
Transport equipment	5.5	6.9	8.2	6.7	5.4
<i>Unclassified items</i>	3.8	1.2	3.0	1.2	0.7
TOTAL	100.0	100.0	100.0	100.0	100.0
Index of imports at 1957 prices of manufactures	100	171	...	...	...

Source: For India, *Monthly Statistics of the Foreign Trade of India*, December 1957; Burma, *Bulletin of Import Trade*, December 1956; Pakistan, *Foreign Trade Statistics of Pakistan*, 1957. For 1928, League of Nations, *International Trade Statistics*, 1927-1929.

^a 1956 for Burma. ^b Excluding triangular trade. ^c Not excluding triangular trade.

^d Including medicines. ^e Excluding medicines.

Burma's exports have declined, and India and Pakistan have become significant importers of cereals. The effects of India's industrialization may be seen in the almost complete disappearance of consumer goods, such as sugar, liquors, manufactured tobacco and cotton fabrics, from the import list, and the greatly increased shares of primary and manufactured raw materials. This does not, however, apply to cotton yarn, for which India and Pakistan have increased their self-sufficiency. The appearance of crude petroleum on the import list reflects the needs of the refineries which have recently gone into production; nevertheless, the country imports refined petroleum and other products on a larger scale than in 1928. The capital goods imports, namely, steel, machinery and transport equipment, have risen from 15 to 38 per cent despite the increase in Indian steel production from about 400,000 tons in 1928 to 1.7 million tons in 1957. The share of imports of finished consumer goods has declined by more than half, indicative of the influence of the progress in domestic production and of the application of import restrictions in favour of staple foods, raw materials and investment goods.

It is not generally true that industrialization and economic development of the primary exporting countries tend to reduce trade. This is not so for small countries and, historically speaking, even for large countries where industrialization has been undertaken with a view to supplying the domestic market. The trade reduction in India, in terms of imports of finished consumer goods has been more than offset by increased imports of raw materials and capital goods. Even if the country were to become increasingly self-sufficient in this respect, the income elasticities freed from their present restraints would favour larger imports. The real factor limiting the imports of the industrializing primary exporting countries is, therefore, not so much the import substitution policies of these countries, as the restrictive influence of the lag in the growth in their export earnings observed in the previous section. The imports of India and Pakistan would increase substantially if their exports could find larger markets.

Ceylon

The import capacity of Ceylon depends on the world market conditions of its three principal primary exports, namely, tea, rubber and coconut products. Over the past thirty years, exports have fared relatively better, particularly in the postwar period, and considerable progress has been achieved in domestic rice production. The population of Ceylon grew by some 69 per cent between 1927-1929 and 1954-1956, but imports of cereals increased by only 20 per cent

during this period.¹ An important development in the structure of Ceylon's cereal imports has been the substitution of wheat for rice made during the Second World War owing to the isolation from the major rice exporting countries. The decline in *per capita* imports of cereals in Ceylon is mainly the result of increased domestic production of rice. However, it is also the result of a decline (of 10 per cent) in *per capita* consumption, usually associated with an increase in the level of incomes. *Per capita* imports of food, in general, declined considerably in volume, but not in value, as food prices rose substantially in relation to other imports; the proportion of the value of food imports to that of total retained imports declined from 46 per cent in 1927-1929 to 45 per cent in 1954-1956. Higher incomes have led to a substitution of cereals by other food items; the imports of eggs were 2.2 times as high as in 1927-1929, of sugar 2.5 times and of butter 3.2 times. These imports reflect the full operation of income elasticities combined with an absence of stringent import restrictions² and a lack of any significant import substitution in agriculture except in the case of rice.

The composition of Ceylon's imports, consisting of food, non-food consumer goods, intermediate goods and investment goods shows a pattern of change strikingly different from that in India. The breakdown of total retained imports between these groups, at constant prices, is available only for the period between 1938 and 1954-1956. During this period, the share of retained food imports declined, whereas that of non-food consumer goods increased rather sharply, reflecting the rise in the levels of *per capita* income originating from the improvement in the export sector. The percentage share of intermediate goods declined by about one per cent of total retained imports; that of investment goods rose by two and a half per cent.

Table 34. Ceylon: Structure of Retained Imports, at Constant 1948 Prices, 1938, 1948 and 1954-1956 (Per cent of total imports)

Type of goods	1938	1948	1954-1956
Food	59.0	53.6	45.3
Non-food consumer goods . . .	16.3	24.0	28.6
Intermediate goods	15.6	12.5	14.4
Investment goods	9.1	9.8	11.7
Volume index (1948=100) . . .	80	100	147

Source: Peter Newman, *Studies in the Import Structure of Ceylon* (October 1958).

¹The statistics for these observations have been taken from two publications of the Government of Ceylon: *Thirty Years (1925-1954) of Trade Statistics of Ceylon*, issued by the Department of Commerce; and Peter Newman's *Studies in the Import Structure of Ceylon*, issued by the Planning Secretariat.

²Existing exchange restrictions in Ceylon are primarily aimed at preventing capital exports and service expenditures on travel, etc. They were also intended to stimulate imports from the sterling area as much as possible, dollar imports being more strictly watched.

These share changes, however, conceal sharper movements in absolute quantities, as total retained imports increased by 81 per cent (and *per capita* imports by 23 per cent), at constant prices, between 1938 and 1954-1956. Retained imports of cereals increased by only 13 per cent, but those of all food items by more than 40 per cent. Retained imports of non-food consumption goods nearly trebled; those of intermediate goods increased by 66 per cent, and of investment goods by twice as much. The intermediate goods in the absence of any significant industries mostly represent those required for agriculture and domestic investment in housing construction. The rise in investment goods imports reflects the high rate of investment, on government account, in fields such as transportation, power and port development, area settlement (Gal Oya), and on private account, in agriculture and in consumer durables, such as motor cars and housing, characteristic of rising levels of incomes.¹ However, a drastic change in the import policy of Ceylon is indicated in *The Ten-Year Plan*, published in mid-1959 by the Government. It explores the possibilities of further developing traditional and new exports, but also lays considerable emphasis on agricultural and industrial development based on import substitution, and on a sharp increase in the rate of investment. If these expectations materialize, export earnings will be inadequate to meet all import demands and, together with a protective policy, the implementation of the Plan may result in a restriction of consumer goods imports. It is likely indeed that Ceylon's import pattern will undergo changes similar to those in India.

Philippines

This is the case of a country which is in the process of developing and industrializing its economy and which has been able to reduce its imports of certain commodities (both consumer and producer goods), while having to maintain those of other goods. The persistently high postwar demand for imports in the Philippines had to be held down by quantitative controls.

The principal factors behind this high import demand were, in general, similar to those in the other primary exporting countries, namely, population growth and urbanization, increased government consumption, and inequality in income and wealth enhanced by inflationary forces. These factors, in addition to the impact of the Second World War and local supply shortages, altered the pattern of consumption and resulted in a larger share for imported consumer goods. However, since part of

this growth in demand remained unmet by imports, it provided a stimulus to domestic industrialization. In the pursuit of its industrialization policy, the Philippines has not yet used protective tariffs extensively, owing to the duty-free privileges accorded to United States products until 1955. However, local industries received protection largely through exchange and import controls, initially imposed simply as an exchange conservation measure. Industrialization was also favoured by measures which discouraged foreign firms from purely trading operations in favour of Philippine citizens, and restricted their capital remittances. The industrialization of the Philippines has resulted in a decline in the share of textile manufactures and an increase in the share of several raw materials, in total imports.

Table 35. Philippines: Commodity Composition of Imports, 1927-1929, 1938, 1949, and 1955-1957 (Per cent of total imports)

Commodity	1927-1929	1938	1949	1955-1957
Foodstuffs	17.9	14.3	25.3	17.9
Tobacco and manufactures	2.3	6.0	3.0	1.3
Chemicals, drugs, dyes and medicines	1.8	3.3	4.9	5.5
Paper, paperboard and manufactures	3.1	3.9	3.0	3.5
Rubber manufactures	2.0	2.1	1.9	2.4
Textiles, yarns, fabrics and made-up articles	24.9	21.0	19.2	13.4
Mineral fuels	6.7	6.1	6.0	9.8
Electrical machinery, apparatus and appliances	2.1	2.9	2.9	4.0
Transport equipment and vehicles	4.7	5.4	4.8	5.5
Non-electrical machinery	5.8	7.4	5.1	12.7
Total of listed items	71.3	72.4	76.1	76.0
Quantum of imports (1953=100) . . . . .	...	58*	137	128

Source: League of Nations, *International Trade Statistics*; Central Bank of the Philippines, *Annual Reports and Statistical Bulletins*; United Nations, *Yearbook of International Trade Statistics*, 1957.

* 1937.

The unequal distribution of incomes resulting from the wartime and postwar inflation, from the difficulty of enforcing progressive income taxation and from the addition of the new rich to the earlier established higher income groups, has increased demand for both luxury consumption goods and investment goods. The latter have been given a fillip as luxury imports and house building were discouraged by government policy. Imports of producer goods have risen considerably, particularly non-electric machinery, whose share in total imports increased from some 6 per cent in 1927-1929 and 7 per cent in 1938 to 13 per cent in 1955-1957. Import groups, in which it is not possible (without going into much greater detail) to separate producer and consumer

¹Ceylon annually imports about seven thousand cars as compared with twelve thousand by India which has about forty times as many potential consumers.

uses, and which, therefore, exhibit the mixed effects of repressed consumer demand and permitted investment demand, are electrical machinery, apparatus and appliances (up from 2 per cent in 1927-1929 to 4 per cent in 1955-1957), and transport equipment (up from 4.7 to 5.5 per cent).

A social policy of maintaining established nutrition and health levels is illustrated by the import shares of foodstuffs, which are, in addition, subject to wide fluctuations, depending on local harvests, and of chemicals, drugs, dyes and medicines, although dyes fall into the raw material group.

Another factor which has altered consumption patterns has been induced changes in consumer preference, as illustrated by the chequered history of the Philippine tobacco trade. After a century or so of exporting leaf tobacco and cigars, the Philippines, in the late nineteen 'thirties, found itself in the position of a net importer of tobacco products. Advertising and example had weaned the Philippine consumer from native cigarettes in favour of imported tobacco (United States Virginia leaf) products, as has happened in several other countries of Asia. Tobacco products were among the few imports that enjoyed an absolute rise in import value during most depression years, which indicated an even greater rise in relative importance in view of the decline in total imports. In the mid-thirties the Philippines was the leading foreign buyer of American cigarettes.¹ At the same time, depression and restrictive legislation hit the market for Philippine tobacco exports, which fell to only half the level of the late 'twenties. The tide turned in the 'fifties. Private entrepreneurs, assisted by government protection and later active government intervention, stimulated the domestic growing of Virginia leaf, which was manufactured locally into cigarettes. This made possible a significant reduction in tobacco imports, and by 1957 the Philippines was again a net exporter of tobacco.

On the whole, the pattern of imports in the Philippines remained almost unchanged between 1929 and 1949, but by 1955-1957, substantial changes were visible, and may be attributed to the effects of government policy of promoting economic development and industrialization, Philippinization of commerce, and maintenance of nutrition and health levels. A breakdown of Philippine imports between consumer goods, raw materials and capital goods, compiled and published in the annual reports of the Central Bank of the Philippines, indicates that imports of consumer goods fell from about three-fifths of total imports in 1949 to less than a fifth by 1957; raw materials and capital goods increased their shares correspondingly.

¹A.V.H. Hartendorp, *History of Industry and Trade of the Philippines* (Manila, 1958), p.29.

This success, however, indicates pressure on the import trade; as in India, demand remains unfilled, and this situation poses a continuing threat to external balance and control machinery if exports do not expand, and a potential long-term market for increased international trade, if they do.

IMBALANCE IN TRADE AND PAYMENTS

CURRENT ACCOUNT TRANSACTIONS IN NON-MERCHANDISE ITEMS

It has been noticed above that the transformation of the ECAFE primary exporting countries, as a group, from a net exporting entity into a net importing one, was due to a rate of growth in imports between 1928 and 1955-1957 of some less than three times the rate of growth in the purchasing power of its exports (table 17). Changes in merchandise trade are, of course, not the only factor in the foreign payments position of the countries of the region, though in most cases they are the dominant ones. Service items and capital movements are also of considerable importance. Although long-term data on non-merchandise items are very deficient, there is some evidence with respect to these items, that the position in 1955-1957 had improved since the later 'twenties. Changes in some of these items have tended to run counter to those in commodity trade. Thus, while the trade balance of the primary producing countries of the region changed from an export surplus to an import surplus over the last thirty years, the long-standing deficit on service account in the balance of payments has perhaps declined relatively during the same period.

The traditionally large debit items have been transportation and payment of interest and dividends on foreign investments. The foreign interest and debt repayment burden was considerably lightened by the inflation of primary commodity prices during the war and in the early postwar years, and by the wartime accumulation of foreign exchange reserves which enabled many countries to repay their foreign debts. It is not clear, however, how dividend payments changed. On the one hand, there was significant progress in export activities dominated by foreign investment—such as petroleum, rubber and tea in the region—and this higher earning capacity, and inflation, greatly increased the outstanding amount of foreign investment at current values. On the other hand, taxation on distribution of profits and dividends, together with concessions given for reinvestment, tended to reduce the outward flow of dividends. On balance, although the average rate of profit after tax on current capital values is perhaps lower than in the 'twenties, the inflation in capital values may have

increased the volume of external payments substantially. Most countries of the region have not placed significant restrictions on transfers of profits for foreign exchange or other reasons.

These divergent trends, on balance, appear to have caused a net reduction in the ratio of interest and dividend payments to export earnings, as may be seen from the following figures for the primary exporting countries of the world:¹

Sample	1928	1938	1954-1956
Nine countries	21.8	22.4	9.3
Fifteen countries .. ..	...	23.6	11.9
Thirty-seven countries .. ..	...	...	9.8

The few figures available for the countries of the region confirm this trend. The corresponding ratio for India declined from 10 per cent in 1928/29 to some 4 per cent in 1955-1957, largely owing to debt retirement, and, for Indonesia, from 23 per cent to 10 per cent over the same period.

The other major debit item, freight payments, is hidden from view by the usual practice of valuing imports at cost, including insurance and freight. It is not certain what has happened, in the long run, to the freight component of the imports of the primary producing countries. The volume of transport may be assumed, roughly speaking, to have increased proportionately with the increase in the volume of total trade, although changes in the composition and direction of trade may have altered the ratio somewhat. As to the price of transport, shipping freight rates—by far the most important item—are highly volatile, so that it is difficult to discern a long-term trend. Dollar freight rates in 1955-1957, when they were very high on account of the Suez crisis, were some 172 per cent above the 1928 level,² while import prices, as measured—admittedly crudely—by the unit value of manufactures, increased by 64 per cent in the same period. In 1958, however, freight rates declined to about half the 1955-1957 level, i.e. well below the rise in import prices, as compared with 1928.

Apart from some smaller items, such as tourist receipts, some primary exporting countries of the region have, in recent years, benefited in their balance of payments from large receipts on government account, being mainly the foreign exchange counter-

part of local expenditure for the upkeep of United States government establishments. In the Philippines, for example, this, together with special items such as back pay pensions and other benefits to Filipino veterans of the United States armed forces, has given the country a surplus on "service" account.

CAPITAL ACCOUNT TRANSACTIONS AND FOREIGN AID

Capital movements had a chequered history between 1928 and 1955-1957. During this period, the net private capital inflow (excluding reinvestment by existing foreign enterprises) into the primary producing countries of the world decreased only slightly in 1955-1957 value (from 2.0 billion dollars in 1928 to 1.9 billion dollars in 1955-1957), but it has greatly lagged behind the expansion, in real terms, of exports.

There has also been some shifts in the capital-exporting countries in the fields of investment and in the areas of investment. Although the western European countries are still significant capital exporters to the primary exporting countries, they have tended to repatriate their already invested and re-invested capital from their former colonies. The desire of domestic entrepreneurs in these countries, to participate, to an increasing extent, in "going" concerns, has also, in several cases, led to inflated values being paid for these foreign enterprises and, this, in addition to political uncertainty, has further stimulated an outward capital flow. The United States, on the other hand, has emerged as the major capital exporter to the primary exporting countries, but its private capital exports have mostly been directed towards petroleum producing countries and to Latin America.

In the primary exporting countries of the region, the net private capital inflow has been negligible in recent years, except in the Philippines and, to a lesser extent, in the Federation of Malaya and Singapore.³ Unfortunately, few data are available for the region on the extent of net long-term capital inflow in the late 'twenties. Such data as are available for Indonesia show a very small net inflow in 1927-1929, while the net inflow into India (including Pakistan and Burma) amounted to no more than some 4 per cent of its exports in the same period.⁴ Data for other primary producing countries of the region are lacking but, with the exception of oil producing Iran, it seems unlikely that capital inflows played any significant role in their balance of payments in the late 'twenties. On balance, then, it would appear that even the small addition made by private capital imports in the late 'twenties to the region's export-based capacity to import, declined in the 'fifties.

³ See chapter 5 below, table 39, p.94.

⁴ League of Nations, *Balance of Payments Yearbook*.

¹ United Nations, *World Economic Survey* 1958, p.57, footnote 21.

² The dollar freight rate index given by Charles P. Kindleberger in *The Terms of Trade*, a European case study, table 2-2, p.19, has been extrapolated by the index of the Chamber of Shipping of the United Kingdom.

A new item, donations and official loans, has made its appearance in postwar balance of payments, as a compensating item. Private and official donations, and loans from governments and international agencies, have acquired considerable importance in the postwar balances of payments of the primary exporting countries of the world. The ratio of foreign aid and capital inflow to exports during 1955-1957 was considerably larger than in 1928 (see table 36). This inflow into ten countries of the ECAFE region (excluding migrants' remittances) amounted to an annual average of 1.1 billion dollars during the three years from 1955 to 1957, or a quarter of the purchasing power derived from merchandise exports alone, a ratio which is higher than that for the primary producing countries of the world as a whole. Thus it would appear that, although the position on private capital account by itself deteriorated between 1928 and 1955-1957, it improved, when taken together with inter-governmental grants and loans and private donations.

Table 36. ECAFE Primary Exporting Countries:
Foreign Aid* and Capital Inflow in relation
to Commodity Exports, 1955-1957
(Million United States dollars)

Country	Exports	Foreign aid ^a and capital inflow	Ratio of foreign aid ^a and capital inflow to exports (per cent)
Burma	706	82	12
Ceylon	1,120	— 72	— 6
China: Taiwan . . .	400	272	68
India	4,156	570	14
Indonesia	2,567	— 8	—
Korea, southern . .	62	958	1,545
Pakistan	1,138	269	24
Philippines	1,257	328	26
Thailand	1,090	108	10
Viet-Nam, southern .	188	703	374
Total above countries	12,684	3,210	25

Source: International Monetary Fund, *International Financial Statistics* for exports, and *Balance of Payments Yearbooks* for foreign aid and capital inflow.

*Including public and private donations other than migrants' transfers (except for southern Korea in 1957) and public and private long-term loans.

This aggregate advantage, however, was very unevenly distributed within the region. Countries such as China: Taiwan, southern Korea, Laos and southern Viet-Nam received large amounts of defence-support and economic aid from the United States. In several of these countries, the import surplus in the trade accounts is the reflection of this aid; the aid financed budget deficits in addition to import needs. On the other hand, Ceylon and Indonesia experienced a capital outflow which was not compensated by the relatively small amounts of foreign assistance.

CONCLUSIONS

The above survey of trends in the trade and payments position of the primary exporting countries of the region during the last three decades reveals that exports have, on the whole, risen slowly, reflecting long-term changes in the volume and composition of demand for imports of food and raw materials in the industrial countries, concomitant with their rising levels of output and income. Technological changes have also worked against raw material consumption. Although the existence of agricultural protection measures in the industrial countries have had only a minor impact on the region, changes in the composition of imports into the industrial countries have not been favourable to the region; on the contrary, the region's traditional exports, other than petroleum and rubber, have been among the commodities in respect of which the increase in external purchasing power has been most sluggish. If petroleum were excluded, the commodity composition of the region's exports would be less favourable than that of other primary producing areas; the petroleum resources of the region are, however, relatively poor, and, although petroleum exports expanded greatly, they could not keep pace with the tremendous increase in other areas. Lagging production, or, in some cases, lagging supplies for exports, has also been important in the case of commodities other than petroleum. In a qualitative sense, this may even be considered a more fundamental drawback as it is possible, within limits, to improve an unfavourable commodity composition of exports by structural adjustments. It should be recognized, however, that lack of economic flexibility and the difficulty of making adjustments to changing economic circumstances are an important aspect of economic under-development in the region as elsewhere. The example of the textile industries illustrates similar difficulties, even in advanced countries.

Import demand, on the other hand, has been rising much more rapidly, especially since the war, to meet urgent domestic needs. Accelerating population growth has placed increasing pressure on food supplies in many countries, which have failed to expand production accordingly. This has made large food imports necessary where only small ones, if any, were needed previously. Furthermore, the desire, and the need, for more rapid economic development calls for increased imports of capital goods and, in some cases, industrial raw materials. As a result, although the slower rise in the import capacity of the region compared with other primary producing areas has prevented imports into the region from growing as much as in other areas, they have risen much more than exports.

The payments difficulties arising from these divergent trends in demand for imports and export possibilities of the ECAFE primary exporting countries are probably, as noted above, no longer mitigated by an improvement in the region's terms of trade. However, aggregate payments of interest and dividends on foreign investment have relatively declined, and the inflow of foreign aid has increased. Nevertheless, it would appear that the strain, in recent years, on balances of payments in the region has been even greater than in most other primary producing areas. This is illustrated by the disparate movements in foreign exchange reserves. While the reserves of non-industrial countries as a whole seem to have increased in relation to their imports and maintained their position in relation to world reserves between 1928 and 1955-1957,¹ the position of the region has deteriorated in both respects.

¹The improvement was much greater between 1928 and 1950; since then there has been a steady deterioration, with falling export prices on the one hand, and rapidly rising import demand on the other.

It seems far from certain, moreover, that these factors will necessarily continue to offset, in varying degrees, the pressure on balances of payments arising from any further divergence between the import and export trends in merchandise trade. The demand for imports can be expected to continue to expand rapidly as efforts are intensified at economic development in the region. This further increases the interest attaching to the future of exports of the region in the coming decades. It is clear that a continuation of the trend of relatively slow expansion of exports would have serious implications for the import capacity of the region, and hence for the development policy most suitable to it. These questions relating to the future import capacity of the primary producing countries of the region, and the degree of freedom they possess in finding alternatives, are considered in the next chapter.

Chapter 5

PROSPECTS AND PROBLEMS

PROSPECTS FOR PRIMARY EXPORTS TO INDUSTRIAL COUNTRIES

PROJECTIONS OF PRIMARY IMPORTS INTO INDUSTRIAL COUNTRIES

The import capacity of most primary exporting countries of the ECAFE region has largely depended and will probably continue to depend in the foreseeable future, on the export prospects of agricultural and mineral products to the industrial countries. It may be of interest, therefore, to make a study of the likely future demand of the industrial countries for primary products as a first step towards estimating the prospective capacity to import by the primary exporting countries of the ECAFE area.

Future imports of foodstuffs, raw materials and fuels into western Europe and North America were estimated in a study made by the Economic Commission for Europe in its *Economic Survey of Europe in 1957*. These projections (see table 37) are based on the following assumptions regarding the growth of the domestic product between 1954-1956 and 1975. First, it is assumed that the gross national product of the United States will increase by approximately 80 per cent; secondly, two alternative assumptions—a 60 per cent rise and a 100 per cent rise—are made regarding the gross national product of western Europe. As a result, there are two sets of projections of changes in imports of primary products between 1955 and 1975.¹

However, before embarking upon a consideration of the aggregate demand of the industrial countries, the ECE projections must be supplemented by similar ones of imports into Japan, which have also been given in table 37. Japan is a large and growing outlet for the primary exports of the region, though admittedly not so large as to alter significantly, except for certain commodities and countries, the general picture obtained from exports to western Europe and North America alone. More important perhaps, Japan's special position in the region as an exporter of manufactures heavily dependent on imports of raw materials and the great interest of the future trade relations between Japan and other ECAFE countries

calls for greater attention than is warranted solely on the basis of the relative importance of Japan among the industrial (raw material importing) countries.

In line with the practice followed in the ECE study mentioned above, the projections of primary imports into Japan cover a twenty-year period from 1954-1956 up to 1975. It should, perhaps, be added that both the ECE projections and those for Japan are merely arithmetical exercises, and do not claim to forecast the future imports of individual commodities in the industrial area concerned. Their purpose is only to provide an illustrative framework for discussion of the implications of major trade trends, in so far as they are now discernible, and of the problems of imbalance of trade and payments likely to remain of major concern to the primary exporting countries of the ECAFE region in the years ahead.

Before any projection of future imports of primary products into Japan can be made, a framework indicating the changes in some basic variables of the Japanese economy, such as population and national income, must be established. Official, and generally accepted, population projections are available for Japan. They show an increase of some 15 per cent in total population in the twenty-year period up to 1975, and a much larger increase—of some 38 per cent—in the population of working age.² It has been estimated³ that the gross national product will increase by 130 per cent in the same period, implying a doubling of *per capita* income in 20 years, or an increase of some 3.5 per cent per annum. Owing to the shift in the age structure of the population, this may be achieved by a rate of increase in *per capita* output of only 2.5 per cent per annum. This rate of growth, although high over a long period, does not seem unattainable.

²Official Japanese population projections.

³*Long-term Supply and Demand Prospects of Energy in Japan* (hereafter referred to as *Long-term Prospects*), Report of the Energy Committee, Industrial Rationalization Council, Ministry of International Trade and Industry, Government of Japan, December 1956, as summarised in document I & NR/Sub.3/7, 2 November 1957, submitted to the Third Session (11-16 November 1957, Calcutta) of the ECAFE Sub-Committee on Mineral Resources Development. The Japanese government is preparing a 20-year projection of national economy and the "income-doubling" plan, according to which the future rate of economic growth will be considerably higher than that projected in the *Long-term Supply and Demand Prospects of Energy in Japan*. If this should materialise, the estimated volume of imports into Japan may be higher than shown by the indices in Table 37.

¹See *Economic Survey of Europe in 1957*, chapter V, to which reference should be made for information as to sources and methods employed in establishing the projection. It should perhaps be added here that the projections for North America are largely based on earlier studies.

Table 37. Projections of Imports into Western Europe, North American and Japan of Foodstuffs, Raw Materials and Fuels for 1975
(Current value in million US dollars and index numbers of volume)

Commodity	Western Europe ^a			North America ^b		Japan	
	Value f.o.b. ^c	Volume index numbers 1954-56=100		Value f.o.b.	Volume index numbers 1954-56=100	Value c.i.f.	Volume index numbers 1954-56=100
	Average 1954-56	1975 (I)	1975 (II)	Average 1954-56	1975	Average 1954-56	1975
Foodstuffs:							
Meat and livestock	500	100	155	140	170	1	265
Dairy products	340	100	100	30	...	4	
Fish	80	100	100	140	170	1	...
Bread grain	740	80	100	...	...	406 ^d	130
Coarse grain	560	100	120	...	...	26	265
Fruit and vegetables	670	100	145	280	170	16	170
Sugar	360	110	130	530	110	123	175
Coffee	740	135	150	1,490	165	6	200
Cocoa	320	145	165	230	180	4	
Tea	370	120	125	80	160	1	...
Other food	70	130	170	60	170	8	...
Beverages	200	100	100	130	170	1	...
Tobacco	400	125	150	90	140	10	130
Feeding-stuffs	210	100	120	20	...	5	265
Oilseeds	590	100	100	60	...	126	175
Vegetable fats and oils	350	145	155	90	150	9	
Animal fats and oils	110	80	80	10	...	22	...
Total foodstuffs	6,650	110	130	3,390	150	769	153
Raw materials of agricultural origin:							
Hides and skins and leather	330	115	120	140	130	26	120
Rubber, natural	460	140	180	390	160	69	225
Wool	1,140	135	150	310	170	198	200
Cotton	1,050	105	110	60	120	432	185
Jute and burlap	120	120	130	110	140	7	115
Hard fibres	70	125	130	50	130	15	120
Wood and cork	380	...	...	60	...	66	...
Other raw materials of agricultural origin	170	135	150	110	170	29	(200)
Total raw materials of agricultural origin ^e	3,340	125	140	1,170	155	842	189
Minerals and ores:							
Crude minerals (including fertilizers)	180	145	165	140	170	94	200
Iron ore	110	550	900	110	350	98	400
Non-ferrous ores and scrap	420	120	125	440	150	45	275
Base metals:							
Copper	750	165	210	310	200	10	225
Lead	90	170	210	70	230	4	200
Zinc	40	250	300	20	200	1	...
Tin	30	120	125	150	160	13	130
Aluminium	120	400	500	20	250	1	425
Nickel	60	160	200	20	250	5	...
Other metals	20	320	400	60	350	1	260
Total minerals and metals ^f	1,820	195	250	1,340	200	272	285
Mineral fuels:							
Coal	400	170	170	...	...	70	570
Crude petroleum	1,560	140	250	860	200	169	475
Petroleum products	520	...	...	390	...	84	250
Total mineral fuels	2,480	145	240	1,250	220	323	437
TOTAL foodstuffs, raw materials and fuels	14,290	130	170	7,150	170	2,206	218

Source: For western Europe and North America: *Economic Survey of Europe in 1957*, Economic Commission for Europe, Geneva, 1958; for Japan, see Appendix to this chapter.

^a Data refer to OEEC countries (excluding Switzerland).

^b Excluding trade between the United States and Canada.

^c The f.o.b. adjustments for imports into western European countries are derived from a comparison of the c.i.f. value with the f.o.b. values reported by the most important exporting countries for each commodity.

^d Including rice.

^e Excluding wood and cork.

^f Excluding iron and steel, iron and steel scrap and precious metals and ores.

It has been estimated that the increase of 130 per cent in gross national product will be accompanied by an increase of some 150 per cent¹ in mining and industrial output. For our purposes, and for lack of any information to the contrary, it has been assumed that output in the service sector will also increase at the same rate of 150 per cent. This implies that agricultural output will increase by about 40 per cent during the projection period.

For the sake of convenience, the primary commodities considered here have been divided into four groups, foodstuffs, agricultural raw materials, mineral fuels, and other minerals and base metals, in line with the procedure used by the Economic Commission for Europe in its study. As will be seen in the Appendix to this chapter, somewhat different sources and methods are used in making the projections for each of these groups.

By and large, we may conclude that the Japanese import projections show the same basic trends as those for western Europe and North America, in so far as the volume of imports of agricultural products into the industrial countries, with the exceptions noted above, will expand much more slowly than that of minerals, especially fuels. Nevertheless, there are considerable differences between the three industrial areas, reflecting variations in their supply-demand position of the commodities here considered. It is to be expected, therefore, that differences in the export structure of individual ECAFE countries, both by commodities and by destinations, will have a considerable effect on the prospects of exporting their products to the industrial countries.

DEMAND PROSPECTS FOR THE REGION'S EXPORTS OF PRIMARY COMMODITIES

In order to arrive at export projections, the import projections for each commodity and industrial destination have been weighted by the export structure of the primary producing countries of the region.² The computations, the results of which are shown in table 38, are based on items which represented one per cent or more of total exports of each country in 1957. The coverage thus obtained, though not exhaustive, amounts to some 90 per cent or more of exports of all domestic products of individual countries, with the notable exception of India, where heterogeneous manufactured items account for a considerable share of total exports.³ Broadly speak-

ing, about 60 per cent of the primary exports of the ECAFE region find their final destination in the industrial countries, about 20 per cent in the primary exporting countries of the region, and the balance in the rest of the countries of the world. Countries more dependent on the ECAFE region as an export market roughly fall into three categories. They are food exporters like Burma and Thailand (rice), China: Taiwan (sugar) and Cambodia (rice and maize), or petroleum exporters like Indonesia and Sarawak, or countries which are landlocked or which traditionally trade through neighbouring countries, such as Afghanistan, Laos, Nepal and North Borneo. In the latter case, part at least of the dependence on the ECAFE market is spurious, as the final destinations of exports may, in fact, lie outside the region. This phenomenon is, of course, much more widespread, especially in the case of trade through Singapore, and distorts the export pattern of the region and, consequently, the projections of exports of primary materials to the industrial countries. In a few important cases, such as the Indonesian rubber exports through Singapore, and Thai tin exports through the Federation of Malaya, corrections have been made accordingly.

Two facts stand out clearly from the table: in the first place, export prospects vary considerably as between countries. This reflects, of course, the commodity composition and the direction of exports of the countries concerned. It is noteworthy that, if the commodity composition of their exports were the same as that of imports (from all origins) into the industrial countries, the export prospects of most

Table 38. ECAFE Primary Exporting Countries: Demand Projections of Primary Exports in 1975

Country ^a	Destination Western Europe	North America	Japan	Total industrial countries
Volume index number, 1954-1956=100				
Iran ^b . . . . .	...	...	...	187
Federation of Malaya- Singapore	173	147	251	179
Indonesia	161	175	289	175
North Borneo	169	160	204	173
Viet-Nam, southern	174	160	130	169
China: Taiwan	191	169	165	168
Cambodia	150	160	265	157
India	143	152	276	155
Burma	156	263	146	153
Thailand	122	154	148	147
Ceylon	133	160	182	141
Philippines	104	134	252	140
Pakistan	128	150	162	136
Laos	126	170	—	133

Source and methods: See text.

^a In declining order of projected increase in primary material exports to all industrial countries combined.

^b Projection based only on commodity structure of exports.

¹ Same as footnote (3), p.89.

² The commodity composition of exports of the primary producing ECAFE countries is shown in table 22, and discussed in greater detail in chapter 4 above.

³ The prospects for manufactured exports are considered below, pp.96-97.

countries of the region would be considerably better, although a few countries, such as Malaya (Federation and Singapore), Indonesia and southern Viet-Nam, would hardly be affected, and the position of Sarawak would change for the worse. The commodity composition of the export trade of the region has become distinctly unfavourable, even if petroleum is included.¹

Secondly, and with the exceptions noted above, the prospects for exports of primary products of the region over the projected period up to 1975 do not seem bright. Several countries, such as China: Taiwan, Malaya (the Federation and Singapore), Indonesia, Iran, North Borneo, and southern Viet-Nam, may increase their exports by some three-quarters, but most countries of the region will probably increase them by no more than half, or rather less. Furthermore, the export projections shown in the table are still too optimistic, if only because the higher of two alternative sets of import projections for western Europe, based on a higher rate of growth of income, has been used in their calculation. It will be recalled that the differences between these two import projections for western Europe are substantial, and if the lower one were to prove the more accurate, there would be a considerable deterioration in the export prospects of the countries of the region, especially those exporting rubber, petroleum and metals to western Europe.² Similar considerations apply, of course, to the prospective imports into North America and Japan, for which, however, the impact of different rates of economic growth on imports has not been worked out. The wide spread between the two projections for western Europe is sufficient to illustrate the importance to the region of high rates of economic growth in the industrial countries.

The projections of individual commodities may also be on the high side if related to the past trends discussed in chapter 4. The substantial increases projected by the Economic Commission for Europe for imports of tin³ and jute are surprising in view of the decline in imports and consumption of these commodities in both the United States and western

Europe. Especially for jute the change in trend seems difficult to explain. Similarly, the projected increase for imports of tea into the United States, and, to a lesser extent, into western Europe, may be somewhat high, although tea is winning new adherents outside its traditional stronghold in the United Kingdom. Once again, the projected, rather modest, increase for cotton imports into western Europe contrasts with the stagnation in consumption (and an actual decline in imports). Much more startling, at first sight at least, is the large increase in cotton imports projected for Japan, which contrasts strangely with the substantial decline in cotton imports between 1934-1936 and 1954-1956. This reflects the fall in exports of cotton manufactures, which declined from roughly three-quarters of total output before the war to about one-third at the present time, and the stagnation in domestic consumption. The decline in exports will probably continue, but domestic consumption of cotton goods is likely to expand with the rise in incomes and population expected in the coming decades, even though substitution by synthetics will make further inroads. Nevertheless, it would appear that only a surprisingly high income elasticity or favourable export developments could warrant the large increase in output of cotton yarn underlying the projection of cotton imports into Japan. Similarly, it is difficult to justify increased consumption of jute and hard fibres in all industrial areas in the light of past experience.

On the other hand, imports of some important commodities, such as, for example, rubber, petroleum and also aluminium, into the United States and western Europe are projected to increase much more slowly than suggested by past trends; in itself, this trend is not unreasonable after the rapid expansion concomitant with the emergence of a new use for a commodity. Nevertheless, the impression remains that, on balance, the import demand projections err on the high rather than the low side and that, to that extent, the export projections of the primary exporting countries of the region are presented in too favourable a light.

There are other reasons, moreover, why the projections shown in table 37 may give too favourable an impression of prospects. They are in terms of volume and do not allow for possibly adverse changes in the terms of trade. If the export projections are to be used for a discussion of the capacity to import, some judgement is necessary on the likely changes in the terms of trade between primary products and the goods that they will buy. As the terms of trade may cumulate the margins of error on the demand and supply side, projections of this type are even more hazardous than most. A wide variety of demand and supply factors are involved and to a very different

¹It may be mentioned in passing that the composition of exports to Japan is more favourable than that of exports to the other industrial areas.

²It should be noted, however, that the maximum projection of imports of natural rubber into western Europe is based on an estimate of supply limitations rather than on demand; maximum production of natural rubber in 1975 has been put at 70 per cent over the level of 1954-1956. In view of actual and planned replanting in southeast Asia, the time lags involved and the relative yields from high and low bearing acreages, it would appear unlikely that this level would be significantly surpassed within the relevant period, even if further large-scale efforts in replanting were made.

³It should be noted that the projection given in table 37 for tin refers to metal only, while tin ores and concentrates are included under non-ferrous ores. The change-over from imports of tin ore and concentrates to imports of tin metal explains the relatively high increase in imports of tin metal projected for North America.

extent for different commodities. Furthermore, the elasticities of supply and demand differ greatly between commodities and countries, and in the absence of a unified world market, prices do not necessarily move in the same direction in all parts of the world. Making due allowance for the limitations of such comparisons over long periods of time, the past fifty and more years do not show a clear long-term trend in the relative prices of raw materials and manufactures.¹ In some periods (1870-1900, 1928-1938), supply has more than kept up with demand for primary products, and in others (1901-1913, 1938-1951) the reverse has been true. Further complications arise from the fact that the ECAFE primary producing countries import from outside the region not only manufactured goods, but also primary materials, especially foodstuffs. It has been argued that foodstuffs may well be relatively scarce in the under-developed regions, and raw materials—especially minerals—in the industrial countries. This does not tell one much, however, about the relative prices of the primary export products of the countries of the region, and the prices of commodities they want to buy. Perhaps more relevant is some evidence that terms of trade tend to turn in favour of developed countries and against under-developed ones, one of the reasons being a greater flexibility in making adjustments to changes in demand. If so, this might imply a movement in relative prices against the primary exporting countries of the region. It should not be overlooked, however, that some of the industrial countries have occasionally shown marked symptoms of growing rigidity, and that, on the other hand, the rapid development of the region envisaged is likely to facilitate reallocation of resources, so that the advantages of flexibility may not necessarily be all on one side. In view of these considerations the present study makes no assumptions regarding changes in the terms of trade; only volume changes have been taken into account in evaluating long-term changes in the capacity to import as derived from the possible expansion of exports. It should be borne in mind, however, that this probably overstates, if anything, the prospects of countries exporting such commodities as rubber and textile fibres which will be increasingly subject to competition from synthetic substitutes, and cereals, sugar, tea and tin, which may be in excess supply in relation to the likely growth in demand.

Finally, the rather discouraging projections of exports thus arrived at for the primary exporting countries of the region may prove optimistic for yet another reason. They have been based on the assumption that these countries will be able to maintain their share in the exports of each individual

commodity to the industrial countries. This, however, as was shown in chapter 4,² is far from certain, if the past is any guide as to what may happen in the future. If trends similar to those of the past few decades were to prevail in the next fifteen years, the export prospects of the region would obviously deteriorate still further. This clearly indicates that the primary exporting countries of the region will have to make major efforts even to maintain their present share in the imports of primary commodities into the industrial countries.

THE OUTLOOK FOR SUPPLIES FROM THE REGION

To the limited extent that war damage and internal disturbances, rather than natural conditions, are to be blamed for the relative decline of exports of some primary commodities from the region, there may be prospects for an at least partial recapturing of lost positions when these difficulties can be overcome.³ Such a comeback would, of course, most likely result in an internal shift in export positions between countries of the region, but may also be expected to lead, in part, to regaining ground lost to other exporting areas. In other words, as compared to the postwar situation, the region could somewhat increase its future share in world exports of primary commodities, if and when the war and postwar losses are made good.

There may be other favourable factors. In the case of many commodities, such as cocoa, coffee, tobacco and most minerals (with the exception of tin, tungsten and antimony), the region is only a small, or even marginal supplier, so that exports could be expanded much faster than world exports without any significant untoward effects on other suppliers, or on prices. This development, incidentally, would have the advantage of export diversification and reduced dependence on only a few export commodities, thus contributing to somewhat greater stability of export earnings. However, it is clear that this kind of argument works both ways: for commodities, such as rubber, tin, and tea, competitors in Africa and Latin America may, with similar ease, greatly increase their share in total world exports—and have in fact done so since prewar days, as shown above—without seriously affecting the share of the ECAFE region, which continues to be by far the major exporter of those products.

² See p. 59.

³ Part of the war and postwar losses are likely to be permanent, however, as alternative sources of supply have been built up and are unlikely to be abandoned. This is especially true for commodities such as sugar where international agreements tend to freeze the present pattern of "free" sugar exports, to the detriment of China: Taiwan, and possibly Indonesia.

¹ See Kindleberger, *op.cit.*, p. 12.

More important, perhaps, is the geographical factor of proximity to Japan, the market which is expected to expand most rapidly among the industrial areas, as was shown in a previous section. This provides the region with a sort of inherent advantage for increasing its share of world exports of primary products; the extent of the increase will, of course, vary greatly between countries, depending on the composition, actual and potential, of their exports.¹ It opens, for example, promising prospects for greatly expanded exports of iron ore from India, which possesses large and still largely unexploited resources of this important mineral. It must be borne in mind, however, that Japan is a relatively small market as compared to North America and western Europe, so that the quantitative effects of its faster growth are limited. Moreover, there are two sides to this argument also, since geographical advantage may enable Africa and Latin America to obtain a greater share in the relatively larger European and North American markets.

A balanced appraisal of the possibilities of shifts in supply favourable to the export position of the region should, however, take account of several distinctly adverse factors. For one thing, the region appears, by and large, to be poor in mineral resources, with the notable exception of iron ore. As demand prospects are, on the whole, much better for minerals than for other raw materials and foodstuffs, this imposes serious limitations on the export possibilities of the primary exporting countries of the region. It may be that further prospecting will reveal greater reserves than had previously been thought to exist, but this possibility cannot be counted upon.

Another factor affecting the position is the European Economic Community; the countries of the region have been concerned about its impact on their exports. It is true that the commodities primarily affected by a high degree of preferential treatment, and of some relevance for the region, are a few tropical products, such as coffee, cocoa, and tobacco, which do not at present loom large in the exports from the region.² However, the preferential treatment accorded to the associated areas in Africa will, to some extent, raise an obstacle to efforts of ECAFE countries to maintain or increase their share in world

exports of these commodities unless they can increase their share at the expense of other "outside" countries. Climatic and soil conditions also reduce the effectiveness of the preference given to coffee growers in the associated countries in Africa, as such conditions substantially hamper production of the variety most widely demanded in western Europe.

Imports of agricultural raw materials, such as oilseeds and cotton, and of minerals and fuels, are probably hardly affected, at least directly, by the Common Market arrangements, as they will enter either duty free, or subject to very low duties. The indirect effects may well be more serious, however. The existence of a "European-African Preference Area" may help to accelerate the development of Africa by further stimulating surveys of resources and inflow of capital into the continent. This trend has already been noticeable in the past decade and is perhaps of much greater relevance for the relative export prospects of the region than the system of duties and preferences. Indeed, as between large areas such as the primary producing ECAFE countries, Africa, and Latin America, there are few natural advantages which favour one area over another in the production of foodstuffs and agricultural raw materials. In any of such broad regions, conditions

Table 39. Geographical Distribution of Net Inflow of Long-term Private Capital into Primary Exporting Regions, 1954-1957
(Million US dollars)

Region	1954	1955	1956	1957
Africa ^a	534	359	344	391
Latin America	415	457	1,034	1,463
Venezuela	66	- 6	429	823
Middle East ^b	-27	31	2	3
ECAFE ^c	77	90	70	50
Philippines	44	100	68	25
Federation of Malaya-Singapore	a	a	a	...
Oceania ^d	123	189	296	243
Total listed	1,122	1,126	1,746	2,150

Source: United Nations, *International Flow of Private Capital, 1957*, E/3128 tables 2 and 18 and E/3249, 1956-1958, annex II, table A.

^a Including \$101.1 million (gross) in 1954, \$122.3 million in 1955, \$150 million in 1956 into Algeria, Tunisia and French African colonies; corresponding figures for 1957 not available but assumed to be the same as for 1956. Including estimated \$56 million into British East Africa and \$33 million into West Africa based on total inflow from the United Kingdom of \$168 million into East Africa and \$98 million into West Africa during 1954-1956.

^b Comprising Iraq, Israel and Syria. For 1954, excluding Syria.

^c Primary producing ECAFE countries, excluding British Borneo, Cambodia, Iran and Laos. For 1954, excluding also southern Viet-Nam.

^d Total inflow during 1954-1956 was \$56 million from the United Kingdom.

^e For 1954 and 1955, Australia only.

¹In 1957, imports from ECAFE primary exporting countries accounted for 40 per cent of Japanese imports from all primary exporting areas, but for only 18 per cent of the corresponding imports into North America and western Europe from these areas.

²With the sole exception of Indonesia, whose exports of these products to the Community amounted to about 5 per cent of total exports in 1957. The impact on demand in the Common Market remains uncertain, depending on decisions as to internal taxes. Data in *Trends in International Trade* (loc. cit., table 24, p.111) do suggest, however, that changes in tariffs alone will, on balance, not significantly alter the relative prices of tea and coffee in the Community, and that any changes in demand will not necessarily be to the detriment of tea.

of soil and climate can probably be found, which make possible the production of most of those primary materials with only very small differences in cost. Much more important than natural factors would appear to be the extent to which such natural opportunities have been exploited—a matter where the application of capital and technical skills plays a major role.

Since the war, the inflow of private capital from North America into Latin America, and from Europe into Africa has been much greater than into the primary exporting countries of the ECAFE region (see table 39). In Africa, most of this capital was invested in primary production, and, apart from substantial investment in the manufacturing industries in the semi-industrial countries, a good deal of it in Latin America also went into primary production, although with marked emphasis on petroleum. These large inflows contrast with those of the region, where only two countries, the Philippines and, to a lesser extent, Malaya (Federation and Singapore), experienced a substantial capital inflow, and where several countries, such as Ceylon, India, Indonesia and Iran, have, on balance, experienced a net outflow of private capital. This factor may well continue to play a similar, and perhaps increasing role in the coming decades, tending to widen the disparity in investments in primary production between the three continents. It is true that this trend is, to a certain

extent, counterbalanced by the somewhat larger amount of foreign aid and public loans received by the region than by Africa and Latin America. The point is illustrated in table 40, showing foreign assistance received from several sources.

Comparative data on domestic investment in the production of primary export commodities are not available. In the ECAFE primary exporting countries, in the postwar period, tax incentives given to reinvestment have encouraged the prosperous foreign tea, rubber, and petroleum concerns to reinvest considerable portions of their earnings. Moreover, national governments have invested considerable sums out of domestic resources, directly in the expansion of agricultural and mining output, or indirectly by improving the infrastructure of their economies. Such domestic investments, including reinvestments made by foreign enterprises, may have been relatively greater in the ECAFE area than in Africa, and, perhaps, no less than in Latin America. In any case, they have certainly been larger in the ECAFE region in the postwar period than in the late 'twenties, and this has outweighed the decline¹ in the inflow of new private foreign capital. It is a moot point, however, to what extent this has affected the relative output and export position of the region *vis-à-vis* other primary producing areas.

¹ Chapter 4, page 86.

Table 40. Geographical Distribution of Foreign Aid into Primary Exporting Regions, July 1953-June 1958
(Million US dollars)

Region	Bilateral aid					Multi-lateral aid ^c	Total
	USA	France	USSR ^a	UK	Others ^b		
Africa	168	2,235	...	387	108	119	3,018
Latin America	844	...	30 ^d	128	20	349	1,371
Middle East ^e	419	—	280	19	1	182 ^f	901
ECAFE ^g	4,177	78	490	160	293	541	5,739
Oceania	26	12	...	7	108	—	152
Total: primary exporting regions	5,634	2,325	800	701	529	1,191	11,181

Source: United Nations, *Statistical Yearbook 1959*, Table 159; N.B. Scott, "Soviet Economic Relations with Under-developed Countries", *Soviet Studies*, Vol.X, 1958/59, Table V.

^a August 1953—May 1958.

^b Excluding bilateral economic assistance extended by the Federal Republic of Germany and centrally planned economies other than the Soviet Union, on which official information has not been obtained.

^c United Nations agencies.

^d Argentina only.

^e Comprising Egypt, Ethiopia, Sudan, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria and Yemen. Excluding grants from United Kingdom for the support of Jordan's military forces.

^f Including 156.9 million dollars to 0.9 million Palestine refugees in Jordan, Gaza, Lebanon and Syria from the United Nations Relief and Works Agency (UNRWA).

^g Including assistance to Macao, Portuguese India and Portuguese Timor in the four years 1954-1957 and Netherlands New Guinea in the five years 1954-1958.

What, then, are the final prospects for exports of primary materials from the region? The demand outlook for such imports into the industrial countries appears unfavourable, with the exceptions and qualifications as to commodities and countries noted above. On the supply side, as we have seen, there are various positive and negative factors making for a change in the share of the demand accruing to the primary exporting countries of the region, but their importance would seem to defy quantification. On balance, it appears likely that the region will have to make every effort to retain its present share, and to prevent a continuation of the downward trend of the past twenty years.¹ Some countries may do somewhat better if the especially serious shortfall due to war and political unrest is to be made good; some may be favoured by their still unexploited natural resources, but more important would appear to be the effort and investments concentrated on making the most of existing opportunities. Increasing efficiency in the production of present export products, and introduction of new export products with better demand prospects hold the key to maintaining, and possibly increasing, the region's present share in the imports of primary materials into the industrial countries.

It seems clear, then, that the region cannot place too much reliance on increasing exports of primary products to the industrial countries. It was brought out in table 38 that, if the primary exporting countries of the region manage to maintain their share in the exports of each commodity, the prospective increases in the twenty-year period up to 1975 ranged, except in the case of Sarawak, from 33 to 87 per cent, depending on the structure of exports of the country concerned. As noted above, even these expectations may prove to be quite optimistic. On any reasonable assumption as to the desirable rate of growth of their national product, it appears, therefore, that hardly any country of the region can look forward to an economic development in which the growth of exports of primary products to the industrial countries plays the leading role.

ALTERNATIVES FOR INCREASING EXPORT EARNINGS

If the prospects for the growth of traditional exports of primary commodities to the industrial countries are limited relative to the rapid expansion of imports from them, what alternatives are open to

the region to maintain its capacity to import? These would seem to fall into two broad categories. In the first place, it may be possible to develop alternative markets for its traditional exports of primary goods, or to develop an export trade in manufactures or, finally, to improve the service balance. Secondly, the capacity to import might be increased by larger private capital imports or foreign aid. The first set of possibilities will be explored in this section, and it will appear that not much relief can be expected from these various sources, in which case the conclusion of a necessary trend towards greater import substitution for the region as a whole would appear unavoidable.

PROSPECTS FOR EXPORTS OF MANUFACTURED GOODS AND FOR SERVICE EARNINGS

A good case can be made, and has frequently been made, for manufactured exports from some countries of the region, which have high population pressure and limited agricultural and mineral resources. Low wages should make them competitive in at least the simpler type of labour-intensive manufacturing processes, such as prevail in the cheaper lines of consumer goods. In fact, exports of textiles and other consumer goods have been so successful as to provoke a reaction from the other manufacturing countries, and demands for protection are frequent, both in the United States and in western Europe. The old arguments in the United States against imports from "cheap-labour" countries in Europe, are now used by the latter against textile imports from Hong Kong, India, Japan and Pakistan. Similar arguments may be expected in regard to other successful exports from the countries of the region. Quotas have been imposed "voluntarily" by Japan on its exports to the United States, for cotton textiles, silk goods, and flat-ware. In western Europe, Japanese imports are still hampered by the absence of most-favoured-nation treatment under GATT rules in several countries, such as Austria, the Netherlands and the United Kingdom.² Exports of cotton cloth from Hong Kong, India and Pakistan to the United Kingdom are similarly subject to a "voluntary" quota restriction, which may be expanded to other export lines. France and Switzerland also have imposed import restrictions on goods from Hong Kong, and there are indications that a similar step is being considered in the United States.³

² *White Paper on International Trade, 1958*, Ministry of International Trade and Industry, Japan.

³ *Far Eastern Economic Review*, 26 March 1959, p.xi, The Chartered Bank, Chairman's Statement.

¹ See chapter 4, table 20, p.59.

In the light of these experiences it would seem wise to temper any undue enthusiasm as to the possibilities of alternative exports of manufactures of consumer goods to the industrial countries. These countries could, of course, be urged to resist protectionist pressures in this field, but it would be unrealistic to expect any great or rapid results along these lines. The transformation needed in the older industrial countries, if inroads into their home markets for consumer goods are superimposed on the inevitable loss of export markets in the primary exporting countries, is such that resistance to these changes, desirable as they are, is formidable. There will undoubtedly be changes in this direction, but they are likely to be relatively slow. The sensitivity of western consumer goods industries to competition from "low-wage countries" has been great. This is no doubt largely due to the fact that their textile industries, which are especially hard pressed, traditionally relied heavily on exports to countries some of which have now become competitors even in the domestic markets of the western producers.

Exports of (domestically produced) manufactured goods are for the present of importance only for India (where they account for 45 per cent of the total exports of the country) and, to a smaller extent, for Pakistan (13 per cent) and China: Taiwan (9 per cent). In extraregional trade, the share of these exports is even smaller; the exports of manufactured goods were some 38 per cent of the combined total exports of India and Pakistan but only 32 per cent of their extraregional exports. For this reason, even spectacular increases in exports of manufactured goods could hardly make a great contribution to the import capacity of most primary producing countries of the region. The only significant exception would appear to be India, owing to poor prospects for primary exports and the relatively large share of exports of manufactured goods. However, the magnitude of the task confronting its manufacturing industry should not be underestimated. To illustrate, an increase by 150-175 per cent in India's extraregional exports of manufactures would increase the country's total export-based capacity to import by no more than 100 per cent. For the region as a whole, even increases in industrial exports of this order of magnitude could not raise the import capacity, based mainly on primary exports, by more than some 10 per cent.

The prospects for raising the capacity to import might also be improved by expanding earnings from services. Receipts on account of foreign government expenditure are large only if connected with extraordinary procurements of goods and services for civil or military aid missions. Such receipts may possibly expand in some countries, but in others, where such receipts are at present relatively large, they are more likely to decline. The investment income received

by the primary exporting countries of the region consists largely of interest on their foreign exchange holdings, and can, therefore, hardly be considered a growth item. Under the pressure of economic development plans, foreign exchange reserves are likely to be kept to a bare minimum, which at best will keep pace with the increase in their foreign trade. The region's receipts on transportation account are derived mainly from port expenditure and supplies for foreign ships. Earnings from actual transport are small, but could be expanded if the countries of the region were to acquire larger merchants fleets. In so far as their imports would then be carried by national rather than foreign ships, this would constitute a form of import substitution,¹ the need for which is discussed below.² Here it should perhaps be mentioned that, in view of comparative advantages and the large amounts of capital required, it is not self-evident that this would be the most efficient form that import substitution could take in the primary exporting countries of the region. Finally, receipts from foreign travel are likely to increase rapidly, at least in some countries of the region, with the growth of tourism, and travel generally, especially if the effort to provide travel facilities were stepped up.

On balance, however, it would appear that, although some service items (including extraordinary procurement of goods) may expand in the next twenty years, as a group they are unlikely to raise by very much the import capacity of the primary exporting countries of the region based on ordinary commodity exports.

PROSPECTS IN ALTERNATIVE MARKETS

Alternative markets may, as mentioned above, provide another possibility of improving the poor prospects in the traditional markets in the industrial countries. The growing importance, in world trade, of the centrally planned economies, namely the Soviet Union, eastern Europe, and mainland China, raises the question whether they offer up any major markets for exports from the region.

The trade of the centrally planned economies has rapidly expanded since before the war. But developments of the past decade have made the "eastern trading area", as it is sometimes called, rely more on intraregional trade, which has sharply expanded. Its imports from the rest of the world, on the other hand, have risen only slowly (see table 41), to some extent owing to embargoes on exports of strategic materials to mainland China. These imports are still small, amounting to some 2.5 per cent of world

¹With the usual accounting practiced of valuing imports c.i.f. and exports f.o.b., this would show up, however, as higher receipts, not smaller payments, for transport.

²See p.101.

Table 41. Centrally Planned Economies: Imports from the Rest of the World and ECAFE Primary Exporting Countries, 1938, 1948, 1952, 1953 and 1956
(Current value in million US dollars)

Year	Eastern trading area		USSR		Eastern Europe		Mainland China	
	Total	of which from ECAFE countries ^a	Total	of which from ECAFE countries ^a	Total	of which from ECAFE countries ^a	Total	of which from ECAFE countries ^a
1938	1,597	440	329	5	672	14	568	420
1948	1,927	238	522	81	877	27	527	130
1952	1,429	297	482	30	675	55	272	212
1953	1,380	206	422	8	673	30	286	168
1956	2,515	306	777	50	1,292	64	429	192

Source: Raymond F. Mikesell and Jack N. Behrmann, *Financing Free World Trade with the Sino-Soviet Bloc*, Princeton Studies in International Finance No.8, table 1 (with sources quoted there).

^a Burma, Cambodia, Ceylon, Federation of Malaya-Singapore, India, Indonesia, Laos, Pakistan, and southern Viet-Nam, and also Hong Kong.

imports in 1956 and 1957, as compared with 6.4 per cent in 1938. It should be noted, moreover, that their imports from the primary exporting countries of the ECAFE region have declined, whereas those from other primary exporting areas have increased (see table 42). Part of this is due to the decline in imports into mainland China (from areas other than centrally planned economies) which, before the war, accounted for nearly all exports of the primary exporting ECAFE countries to the centrally planned economies. But, in part, it is due also to the large shift in the imports into mainland China against the ECAFE primary exporting countries. Changes in the commodity structure of its import demand which cannot be met by the primary exporting countries of the region may underlie this shift. The exports of the ECAFE primary exporting countries to eastern Europe and the Soviet Union have, on the other hand, greatly risen from their low prewar levels (see table 41).

Table 42. Centrally Planned Economies: Sources of Imports, by Major Areas, 1938 and 1956
(Current value in million US dollars)

	1938	1956
Industrial countries:		
North America	192	76
Western Europe	860	1,774
Primary exporting countries:		
ECAFE primary exporting countries ^a	440	306
Latin America	22	107
Near East and Africa	36	194
Oceania	17	58
TOTAL	1,597	2,515

Source: *Ibid.*

^a See footnote (a) of table 41.

The trade of the centrally planned economies is predominantly among themselves, to an even greater extent than that of the industrial countries, and their trade with the rest of the world is directed towards the industrial countries rather than to the primary exporting countries. In contrast, although total imports of the industrial countries are less than six times those of the centrally planned economies, their imports from the primary producing countries were, in 1957, over twenty times as large (see table 43). This is, of course, not the whole story. Figures of this kind are apt to hide significant differences between individual areas, countries and commodities. For several primary exporting ECAFE countries, and also for the region as a whole, the relative importance of the eastern trading market is considerably greater (see table 42 and 44).

Table 43. Regional Distribution of World Exports, by Origin and Destination, 1957
(Current value in billion US dollars f.o.b.)

Imports from	Exports to Industrial countries	Centrally planned economies	Primary producing countries	World ^a
Industrial countries	42.8	1.95	22.5	70.2
Centrally planned economies	1.97	8.49	0.78	11.5
Primary producing countries	20.6	0.92	7.5	29.6
World ^a	65.4	11.4	30.8	111.3

Source: United Nations Economic Commission for Europe, *Economic Bulletin for Europe*, Vol. 10, No. 2, p.38.

^a Including special categories, unallocated exports, and some statistical discrepancy, due to utilization of various sources and data.

Table 44. ECAFE Primary Exporting Countries: Exports to
Selected Destinations, 1957
(f.o.b. value in million US dollars)

Exports to Imports from	USSR	Eastern Europe	Mainland China	Total centrally planned economies	North America	Western Europe	Japan	Total industrial countries	World
Afghanistan ^a	16	4	—	20	14	14	—	28	64
Burma	9	8	9	26	2	20	22	44	210
Ceylon	—	1	35	36	48	127	6	181	353
Federation of Malaya- Singapore	13	31	24	68	208	452	137	797	1,363
India	37	13	8	58	306	477	57	840	1,350
Indonesia	7	2	26	35	148	312	40	500	970
Pakistan	4	7	10	21	39	151	44	234	337
Other ECAFE countries ^b	—	—	3	3	332	189	175	696	1,101
Total listed	86	66	115	267	1,097	1,742	481	3,320	5,748

Source: United Nations, *Direction of International Trade*, Series I, Volume X, No. 8; for Afghanistan: Ministry of Planning, *Survey of Progress, Statistics*, Volume IV, 1959.

^a Fiscal year 1957/58.

^b Cambodia, China (Taiwan), southern Korea, Laos, Philippines, Thailand and southern Viet-Nam.

The prospects of the centrally planned economies offering an alternative market for the primary exporting countries of the region depends largely on the commodity composition of their exports. The centrally planned economies are wholly dependent for their natural rubber requirements on the outside world. Net sugar imports, although marginal, have also increased rapidly since the late 'thirties, and seem to have reached the level of the late 'twenties; this is the net result of higher imports into the Soviet Union (a small exporter before the war), a decline in imports into mainland China, and an increase in exports from eastern Europe. With the exception of rubber and sugar, the centrally planned economies have greatly increased their self-sufficiency in primary materials since before the war, and in many cases, their imports have even declined absolutely.

On the other hand, the Soviet Union has become a sizable exporter of cotton, and net imports into the eastern trading area as a whole have become marginal. Its imports of jute have declined since before the war, and those of wool have remained at about the same level. Coffee and cocoa are also imported on a small scale, but tea, of greater relevance to the region, is exported from the eastern trading area. A rapid increase in tobacco imports into the Soviet Union has been offset, to a considerable extent, by larger exports from mainland China. Net trade in metals is small, with some, particularly tin, being exported and others imported, while fuel exports from the area are considerable.¹

¹For further details, see Economic Commission for Europe, *Economic Survey of Europe, 1957*, Appendix tables; and United Nations, *World Economic Survey, 1958*, part I, chapter 4 (Problems of Primary Commodities in the Centrally Planned Economies), Appendix.

It is thus understandable that a few raw materials account for the major share (over two-thirds in 1957) of all exports of the region to the eastern trading area. Rubber accounts for two-thirds of these raw material exports; cotton, jute, wool, iron ore and hides and skins account for the rest (see table 45).

Table 45. ECAFE Primary Exporting Countries:
Exports of Raw Materials to Centrally
Planned Economies, 1957
(Million US dollars)

Destination Commodity and origin	USSR	Eastern Europe	Mainland China	Total centrally planned economies
Rubber:				
Federation of Malaya- Singapore	8.4	28.9	18.9	56.3
Ceylon	—	—	35.1	35.1
Indonesia	6.7	—	22.5	29.2
Cotton:				
Afghanistan	8.9	2.9	—	11.8
Pakistan	1.3	—	6.9	8.2
Iran	2.3	3.3	—	5.6
Jute:				
Pakistan	2.3	7.0	2.5	11.9
Wool:				
India	4.2	—	—	4.3
Afghanistan	3.8	0.3	—	4.1
Iron ore:				
India	—	8.3	—	8.4
Hides and skins:				
India	5.6	0.5	—	6.2
Total listed	43.5	51.2	85.9	181.1

Source: National trade statistics.

It would seem, therefore, that the prospects of expanding exports from the region to the eastern trading area depend largely on the fortunes of natural rubber, which not only is one of the most important export commodities of the region, but also has good prospects for exports to industrial countries. In the centrally planned economies, the demand for rubber is also likely to rise rapidly with the increase in the number of motor vehicles and may, by 1975, reach a level some three or four times that of the past few years. However, total consumption of rubber in the eastern trading area is still likely to remain small in relation to that in the rest of the world. At any rate, for some considerable time to come the prospects for natural rubber exports seem to depend on the possibilities of expanding supplies at a price competitive with the synthetic product rather than on demand as such.

In the long run, the supply of natural rubber is, of course, quite flexible. In the past three decades, without much intensified effort, and despite output reducing factors such as the great depression, war damage and internal insecurity, natural rubber production in southeast Asia increased one and a half times. In view of the large scale replanting in Ceylon and the Federation of Malaya, and assuming a restoration of stable conditions in Indonesia in the next five years or so, the possibilities of expanding natural rubber output to match aggregate demand, both from the industrial countries and the eastern trading area, are promising. However, over this long run, the demand for natural rubber may be somewhat uncertain. Several important industrial countries, and also the countries in the eastern trading area, will in any case go ahead with synthetic production for strategic reasons. Moreover, there have been recent announcements of the discovery of a synthetic product with the technical qualities of natural rubber.¹ This would reduce the field in which the technical merits of the natural product make it a preferred commodity (roughly one-third of the total market) and extend the area of price competition (at present also about one-third of the market) where natural and synthetic products can be used as substitutes.

In the relatively shorter period up to 1975, however, it is likely that supply may not match demand for natural rubber. In that case, exports to the centrally planned economies may only reduce exports to the industrial countries although the additional demand may support prices. Even so, it is unlikely that the increase in earnings of the rubber exporting countries will surpass or equal the increase

in the volume of sales. Competition from synthetic rubber will tend to depress natural rubber prices unless synthetic prices go up. There is some possibility that both these things will happen. The factors which have prevented price rise in the synthetic product² may no longer be operative. On the other hand, the prospects of natural rubber costs coming down are considerable, as new planting methods improve efficiency by increasing output without corresponding increases in labour and other costs.

Demand factors play a decisive role, on the other hand, in other commodities exported by the primary producing countries of the region to the centrally planned economies. Cotton exports to these economies have been significant in the last few years, although small in relation to total exports of cotton from the region. Any large expansion seems highly doubtful, however, as imports of cotton into the area are small in relation to its domestic production, which can probably be readily expanded. Similarly, exports of rice to the eastern trading area are unlikely to exceed those needed to cover a shortage arising from a bad harvest, or a temporary shortfall in production behind rising demand. In view of the production increases in recent years, it seems fair to assume that mainland China has become, and is likely to remain, at least self-supporting in foodgrains, even if it does not export it on a continuing basis.

As mentioned above, the centrally planned economies also import relatively small amounts of cocoa and coffee, consumption of which is likely to increase with rising incomes. Both the Soviet Union and mainland China are, however, predominantly tea drinking countries. Moreover, coffee and cocoa do not loom large among the imports from the region, and even so have been mostly obtained from elsewhere.

All this indicates that the existence of alternative markets for primary products in the centrally planned economies is unlikely to make any real difference to the export prospects of the primary producing countries of the region. The share of such markets is small relative to those in the industrial countries. Thus, even a major expansion, at a rate much faster than in the latter, makes relatively small difference in terms of total export receipts. Rubber prospects are relatively good. For other commodities, the prospects for increasing demand in the centrally planned economies are either bleak, or, if they are good, there is little reason to expect that this will mainly, or even substantially, benefit the primary exporting countries of the region.

¹It is impossible to say how soon laboratory results will be translated into commercial production.

²See chapter 4, page 72.

SOME IMPLICATIONS AND PROBLEMS

THE NEED FOR IMPORT SUBSTITUTION

The upshot of the discussion of the export prospects of the primary exporting countries of the region is that their capacity to import may be expected to grow perhaps by no more than 60-70 per cent up to 1975. This assumes, among other things, that the terms of trade will neither improve nor deteriorate relative to 1954-1956. A major implication of this outlook is that the development of the region can hardly rely exclusively on exports even in the countries with favourable export prospects. The momentum provided by the expansion in the export industries will be too small to bring about an adequate increase in total output. Rising exports are unlikely to play a leading role in the development process of most countries of the region. In view of the much greater expansion of imports expected by 1975, their function, and that of any foreign aid and capital inflow, is rather to provide the necessary foreign exchange for development, the prime movers of which will have to come from within.

A shortage of foreign exchange to finance imports of producer goods and some raw materials (indispensable for development programmes and procurable at home only with great difficulty) is likely to constitute a crucial problem for many countries of the region. In the present circumstances, it appears that, to a varying extent, the primary exporting countries of the region will experience an increasing gap between their capacity to import producer goods and their requirements in order to achieve reasonable rates of growth in their national incomes; and it therefore seems that major efforts will have to be made to expand or establish domestic producer goods industries in the region.

Some countries of the region are more favourably placed than others in this respect. The Federation of Malaya, for instance, whose capacity to import may be expected to increase by three-quarters in the next twenty years, and whose relatively low share of capital goods in total imports could be raised considerably, especially if less food imports were needed, is unlikely to have much of a problem in meeting the demand for capital goods imports required for a rapid increase in its national income. To varying degrees, however, primary exporting countries of the region will be confronted with the need both to curtail the demand for producer goods, and to make efforts to increase their supply, or both. Curtailment of producer goods requirements, by a shift towards less "capital intensive" investments in agriculture, may facilitate an increase in their supply at a later stage, by reducing the need for food imports. More generally, greater supplies of pro-

ducer goods can be made available either by directly expanding their production, or by an expansion of production of import-substituting food and consumer goods, providing a foreign exchange margin for larger imports of producer goods. However, for some countries the latter course alone will probably not suffice to make these goods available in sufficient quantities. Building up a producer goods industry is by no means easy and may, in the short run, even aggravate foreign exchange difficulties. But it would appear that they have no other choice if a reasonable rate of growth of the national product is to be attained. For most other countries, it will be an easier and less costly adjustment to expand their food production and consumer goods industries to the required extent. Import substitution of services such as shipping, banking and insurance will also help to alleviate their foreign exchange problem.

REGIONAL CO-OPERATION

This import substitution of consumer goods may, to some extent at least, be facilitated for the region as a whole, and obviated for individual countries, by developing intraregional trade in food, raw materials and consumer goods.

If, however, the past is any guide, the trend is in the opposite direction.¹ This is largely due to the fact that export development in several primary exporting countries of the region has been directed towards supplying the markets of the industrial countries, which remain the predominant suppliers of their needs for manufactured goods. Confronted with a foreign exchange shortage, countries, in their economic development plans, have aimed at self-sufficiency in cereals, in sugar and in textiles, to the detriment of the primary exporting countries of the region. Even so, the region is importing from outside fairly large quantities of manufactured consumer goods (such as textiles), foodstuffs (such as wheat and sugar), and raw materials (such as oil and cotton), while at the same time it is difficult for some countries in the region to dispose of their exportable surpluses of some of these goods. This is presumably due to the higher prices of regional products, taste preferences, and other factors. It would seem reasonably clear, however, that it would be of benefit to the region as a whole to mobilize available under-utilized resources in manufacturing and agricultural production and substitute them for supplies now obtained from outside the region. The expansion of production within the region would, moreover, tend to lower the apparently higher costs of import substitutes. The textile industry in India, for example, and rice production in Burma and Thailand, etc. are obvious examples of these possibilities.

¹ See chapter 4, chart 6, p.80.

Quite apart from the co-existence of under-utilized capacity within the region and imports from outside of products identical or similar to those produced in the region, there is likely to be considerable scope for co-operation in import substitution between the countries of the region. It would be interesting to make a systematic investigation of the type of commodities which at present are being imported, and the extent to which these could be replaced by production in the region within the cost differentials (between regionally produced and imported goods) which may be permitted if account is taken of the real cost of foreign exchange. It is certain that these differences in cost would be kept within narrower bounds, especially for the smaller countries, if some specialization could be agreed upon within the region,¹ enabling it to benefit as much as possible from the economies of scale in manufacturing, and from the differences in natural endowment for primary production.

Although it is hard to deny the advantages of such a policy for the primary exporting countries of the region, some difficulties require to be tackled, since their interests, though convergent in some respects, diverge in others. They converge in the common discrimination against outsiders, but they diverge in the country distribution of the increases in production resulting from it. Countries need to arrive at an agreement as to which country shall produce which goods and to what extent. As regards the possible conflict of interest between the countries with well-developed consumer goods industries and the other countries of the region which desire to start or expand such industries, what is wanted is a compromise satisfying both the need for protection of the "late-comers" and for preferential treatment of regional sources of supply within a scheme such as a common market in the primary exporting countries of the ECAFE area.

¹Some of the fields suitable for such specialization and worthy of further investigation are those relating to the industries manufacturing iron and steel and engineering goods. An iron and steel industry located in a convenient place with good harbour and transport facilities and near deposits of raw materials may prove to be an economic proposition. It may provide an assured market for the region's iron ores and coals and an assured source of semi-finished steel say, for example, for the re-rolling industries or other engineering industries in other ECAFE countries. This may also perhaps stimulate the idea of specialization by countries with the most suitable facilities for particular products. Plates for ships may, for example, be produced in a large plate mill in one country and these may be made available for the manufacture of coastal ships and barges in others specializing in their production. Tool and alloy steels and ferro-alloys may be produced in a country at a location with abundant power but the ores themselves may be brought from nearby countries. Ferro-manganese, ferro-tungsten and high carbon tool steels in electric furnace are some of the projects which may prove worthy of investigation where the required quantities of power and necessary raw materials such as manganese ores and wolfram are available. Two other products which may perhaps be manufactured with advantage within the region are cement and paper.

It should, perhaps, be stressed that the exports referred to here should be additional, not only to those within the region, but to total exports. Switch-overs of extraregional into intraregional exports do nothing to alleviate the exchange difficulties of the region. There is also the possibility that import substitution may have adverse repercussions on existing intraregional exports. Thus, for instance, Ceylon's *Ten-Year Plan* aims at further reduction in the volume of imports of rice, meat, poultry, fruits, spices and vegetable,² at present obtained from Burma and India. This illustrates the need to co-ordinate not only trade policies (in the narrow sense), but also the policies, programmes and plans of resource development in general—a much more difficult matter.

If these obstacles are successfully surmounted the region will not only enjoy the benefits of co-operation in solving its common foreign exchange problem, but also lay a groundwork for mutually beneficial co-ordinated economic development.

THE ROLE OF INDUSTRIAL COUNTRIES

The foreign exchange problem of the primary producing countries of the region would, of course, be alleviated if the industrial countries imported more from them. A major factor in this respect is, as we have seen, the rate of growth of income in the industrial countries. A rate of growth faster than that underlying the projections presented in earlier sections would almost certainly result in larger export proceeds for the region. Apart from this, the industrial countries could help by taking specific measures to increase imports. At present, primary production is, in one form or another, and to a varying extent, protected and subsidized in most industrial countries. Moreover, a good many of them levy heavy taxes on tropical beverages and tobacco, even though they do not produce such commodities themselves. A decline in this protection and taxation would no doubt increase the imports of primary commodities into the industrial countries.³

It should be realized, however, that the bulk of the benefits would accrue to countries outside the region. A decline in agricultural protection would primarily affect cereals and dairy products and would hardly increase the exports of countries within the region. More relevant to them are sugar, cotton and oilseeds which would presumably benefit from less protection in industrial countries. But it is easy to over-estimate the effects of such a change in policy on the exports of the primary exporting countries

²A reduction of 46 per cent for all agricultural and fishery products.

³See General Agreement on Tariffs and Trade, *Trends in International Trade*, Geneva, October 1958, pp.80-115.

of the region. Similarly, the lowering or complete abolition of revenue duties on tropical beverages and tobacco is likely to be especially effective for coffee and cocoa, commodities which do not bulk large in the primary exports of the region, but of minor importance for tea, one of its principal export products.

Much more important for the region's primary exporters, it would appear, is the industrial protection of consumer goods, especially textiles, practised in many industrial countries. A reduction of this protection might well significantly increase the export of manufactured goods from a country such as India, and might give some impetus to industrial production in some other countries of the region. The direct effects on demand for manufactured goods, as well as the indirect effects on the foreign exchange position, would greatly stimulate the industrialization of the primary exporting countries of the ECAFE region.

It would be unrealistic, however, to expect too much on this score. Even if all protection, both agricultural and industrial, were scrapped, import substitution of food and manufactured consumer goods would still be necessary. At the same time, the burden of adjustment for the industrial countries would be considerable, and involve an accelerated transformation of their economies away from agriculture and consumer goods industries, and towards greater emphasis on the production of capital goods. The difficulties of this adjustment, as already noted in the previous chapter, would be further enhanced by the very import substitution which will, in any event, have to take place in the primary producing countries of the region. In these circumstances, the political resistance against changes in this direction would seem formidable. It appears not unlikely that the industrial countries, rather than enable the under-developed countries of the region to earn the foreign exchange needed for their development through trade, may prefer to make this foreign exchange available through aid.

The postwar concept of international aid—bilateral or through international agencies—implies the acceptance of the important principle of international co-operation for a more widespread sharing of economic gains; however, this tends to become obscured, to some extent, by non-economic considerations and aid tends to be distributed unequally in relation to the purely economic needs of individual countries. Moreover, to the extent that this foreign aid takes the form of loans or investment, rather than of grants, it constitutes a liability in terms of future payments of interest, dividends and repayments of capital.

As a matter of fact, in the nineteenth century, private capital played a similar role in several under-developed countries in building up an infrastructure and extractive industries, but, as noted in chapter 4, this source of external "aid" has declined in importance. Now, as an alternative, the advanced countries could render similar assistance from public funds, which would facilitate or accelerate the development process in the under-developed countries, or diminish its hardships. On the basis of international agreements, the present system of burden sharing could be improved upon, as a further step towards international solidarity, if the donor countries were to undertake to make contributions to an international pool of foreign aid.

Moreover, it would help considerably, if the advanced countries were to underwrite standby credits to cover any short-term foreign exchange difficulties of the under-developed countries arising from such factors as an industrial recession or a bad harvest.¹ This would, in bad years, make it unnecessary for the developing countries suddenly to curtail their investment programmes. Moreover, there would then be less need for them to maintain foreign exchange reserves which might be converted from presently relatively idle funds into machines and factories, contributing to the growth in output and incomes.

THE TRADE PROBLEM OF JAPAN

Japan also faces problems entailing a transformation of its economy. It needs to import raw materials for its industry, to be paid for by export of manufactures. Japan's capacity to import thus depends on the size of the export markets for its manufactures. It has been shown above, however, that, as compared with the other industrial countries as a group, Japan is a relatively small importer of primary materials, with only a small impact on the capacity to import of the region and, more generally, of the primary producing countries of the world. The size of its export market therefore depends largely on whether it is capable of delivering the type of industrial goods now wanted by the primary exporting countries, namely, capital goods.

Unfortunately for Japan, it is in an unfavourable competitive position *vis-à-vis* western Europe and North America in the case of capital goods, which it produces at a cost considerably higher than the other industrial countries. Its competitive advantage still lies with consumer goods, which, as argued above, will be increasingly subject to import restrictions in the primary exporting countries. Japan is, therefore,

¹The primary exporting countries, from this point of view, need to concentrate on obtaining stability in the proceeds from exports of their primary products rather than in the prices thereof.

faced with much the same need as western Europe—but of even larger magnitude—to change the structure of its economy by reducing the emphasis on consumer goods and concentrating on the production and exports of capital goods.

The more successful Japan is in these efforts, the more will it be able to afford liberal import policies for raw materials and foodstuffs. This would make possible, for example, a shift in Japanese agriculture away from its heavy dependence on rice towards dairy farming and the like, necessitating imports of feeding stuffs, possibly from the food-exporting countries of the region. On the other hand, a shift towards capital goods will not only change the composition of raw material imports, but also reduce the need for them, on balance, since the raw material content and the dependence of Japan on outside supplies for raw material is far greater in the textile industry than in the heavy industries. It is not clear what the combined impact of these various factors would be on Japan's over-all dependence on imports of primary products.

These structural problems are not only similar to those of the other industrial countries; they are also directly related to them. Japan's exports of consumer goods are at present heavily discriminated against in most of these countries notwithstanding its membership of GATT.¹ A lowering of protective barriers would enable Japan to expand its exports of consumer goods, and would thus obviate, to that extent, the need to transform its economy so as to place greater emphasis on output of capital goods, without impairing its capacity to earn the foreign exchange required for imports of raw materials. At the same time, however, this would aggravate the burden of adjustment in the other industrial countries: the structural change in the United States and especially western Europe would have to be even greater. Once again, it would be impractical to overlook the obstacles to such a policy, desirable and advantageous though it may be.

CONCLUSIONS

It has been suggested above that even with the most liberal import policy on the part of the industrial countries, and allowing for a possible expansion of exports to third markets, import substitution of manufactured consumer goods and food will be necessary in the primary producing countries of the region if they are to develop at a reasonably rapid rate, and, *a fortiori*, if they are to narrow the income gap between themselves and the developed countries. In fact, it was suggested that, in some countries, even

the most severe degree of import substitution will probably not suffice to provide a large enough margin for imports of capital goods, so that a formidable effort will have to be made to produce them at home. Liberal import policies in the industrial countries can ease this situation somewhat, but cannot essentially change it, as it is closely connected with the very export structure of the primary exporting countries of the region. Only if it were feasible for the region to displace, on a large scale, the other primary exporting countries of the world as suppliers of the industrial countries, might it be possible to escape this conclusion. To achieve this, however, the share of the ECAFE region in this trade would have to double. Stating the problem in these terms makes clear that this "solution" is too unrealistic to be relied on.

The import substitution of consumer manufactures by primary exporting countries raises serious problems for the industrial countries since it intensifies the need for a shift in their economic structure in the direction of capital goods and durable consumer goods. This is especially true of Japan, which will have a long way to go, unless the other industrial countries grant the country access to their domestic markets for consumer goods, thus aggravating their own problems. It was suggested that, to some extent, there is a choice for the industrial countries between trade and aid: they may either increase the export possibilities of the under-developed countries by removing import barriers of various kinds, or provide foreign exchange directly in the form of aid.

The problems of the primary producing countries themselves, in reducing the relative, or even absolute, importance of imports of consumer goods and food, can be minimized through trade co-operation between them. Here also however, there are conflicts of interest which are real and should not be dismissed light-heartedly. The conflicts of interest between the more industrialized and the less industrialized countries of the region, and between the "haves" and the "have-nots" of foreign exchange earning capacity—to mention only a few—will require a great deal of goodwill and solidarity if mutually satisfactory solutions are to be found.

It would appear, then, that the implications of the limited export prospects of the primary exporting countries of the region, and their effective desire for development which is here taken for granted, provide both a challenge and an opportunity for economic statesmanship in the region itself as well as in the developed industrial countries.

¹ See page 96 above.

APPENDIX: SOURCES AND METHODS OF JAPANESE IMPORT PROJECTIONS

FOODSTUFFS

Projections of future demand for foodstuffs in Japan have been made by first estimating the increase in future requirements. Demand for foodstuffs has been related to rising *per capita* incomes through income elasticities of demand, as given in the background papers to the *New Long-Range Economic Plan* (1957-1962),¹ except those for a few products, such as tea and tobacco, which have been taken from consumer budget studies.² It has been assumed that personal income will increase in line with the gross national product. The next step is to see whether the increases (or, in the case of some commodities, declines) thus calculated would result in increases in imports. This clearly depends on the expansion of agricultural production in Japan itself. As a first step, agricultural production was assumed to be sufficiently flexible to adjust itself to the changes in demand brought about by higher incomes. In other words, the production of each commodity was assumed to expand, or contrast, in line with the income elasticities of demand, and, of course, the growth of population. The total increase in agricultural production was obtained by taking account of the structure of agricultural production in the base period mainly as given, for major categories, in the *Yearbook of Agricultural Statistics (Japan)*. Thus an increase of some 40 per cent was arrived at, which happened to coincide very closely with the macro-economic projection of future production in agriculture given in chapter 5. Future imports of foodstuffs could, therefore, be estimated by simply applying the rate of population growth, rise in *per capita* income, and income elasticities to present volumes of imports.³

From the projection procedure outlined in the previous paragraph, it will be clear that much depends on the relative growth of income, on the one hand, and of agricultural output, on the other. If the same rise in incomes were to be accompanied by a somewhat slower (or faster) rate of expansion in agricultural output—a very likely possibility—imports of foodstuffs would have to rise much faster (or slower). For example, if agricultural output were to increase by only 30 per cent, then, with imports

in the base period covering some 20 per cent of total foodstuff requirements, as is, generally speaking, the case in Japan, imports would have to nearly double, rather than rise by 53 per cent, in order to meet the increase in demand brought about by population growth and rising incomes. Inversely, if agricultural output were to increase faster than assumed here say, by 50 per cent, then, in otherwise similar circumstances, Japan's import requirements would increase by less than 15 per cent.

AGRICULTURAL RAW MATERIALS

Of the agricultural raw materials imported into Japan, cotton, wool and rubber are by far the most important. A projection of production of cotton yarn is given in *Long-term Prospects*⁴ which shows a rate of increase somewhat more than half that of mining and industry as a whole. Although this estimate seemed high, it was accepted for our purposes, and demand for raw cotton was assumed to increase at the same rate. The estimate for wool has been based on the assumption that demand for woollen textiles, and therefore of the wool industry, will expand somewhat faster than for cotton. As domestic production of cotton and wool in Japan is negligible, and is likely to remain so, imports would show the same increases.

Demand for rubber, in line with the rapid growth of the automotive industry, is likely to rise faster than for any other agricultural raw material. Estimates were made on the basis of the increase foreseen in the production of motorcars, and trucks and buses, respectively, the increase in the stock of vehicles, the number of tyres of different vehicles, annual replacement needs of tyres, and the relative rubber content of tyres for motorcars and trucks.⁵ Taking account of these various elements, it would appear that demand for rubber may be expected to more than treble during the projection period.⁶ A moot question is, of course, how much of this increase will accrue to natural rubber and how much will be supplied by synthetic rubber. The share of the synthetic product has been increasing; it rose from 10 to 14 per cent in the three years from 1956 to 1958. How far this share will increase further is likely to depend largely on supply possibilities, and the relative costs of natural rubber on the one hand, and policy decisions as to the degree of import dependence which Japan can afford on the other. These broader issues were discussed in chapter 5. For the purposes at hand, it was assumed that the share of synthetic rubber in the total would substantially increase, and reach about one-third in 1975. As Japan produces

¹Economic Planning Agency, Japanese Government, 1957.

²Trend of Household Consumption based on Marginal Propensity to Consume, Economic Planning Agency of Japan, January 1958.

³One further complication should be mentioned: grain is used not only directly for human consumption, but also as feed for livestock and poultry. The amount used as such in Japan is some 10 per cent of the volume of imports of foodgrains, and more than the total volume of imports of coarse grains. In the calculations, it has been arbitrarily assumed that grain used as feed was, in fact, imported rather than produced at home, and projections of that part of grain imports have been made on the basis of the expected increase in demand for livestock products and poultry.

⁴*Loc.cit.*, chart 3.

⁵See above, p.92.

⁶Production projections are given in *Long-term Prospects*, table 1; technological data are taken from the *Economic Survey of Europe in 1957*, Chapter V, page 32.

virtually no natural rubber, this means that the volume of imports of natural rubber projected for 1975 is about two and a quarter times as large as that at the beginning of the period.

Finally, projections were made for the import of some minor agricultural raw materials. It was assumed that demand for hard fibres, and thus imports, will expand by about 20 per cent, of jute and burlap by 15 per cent, and of hides and skins by 20 per cent, as the favourable influence of the faster rate of growth in the output of their agricultural and industrial users is likely to be offset by the substitution of synthetic products.

MINERALS AND METALS

Projections of the future requirements and imports of mineral fuels into Japan have been published in the *Long-term Supply and Demand Prospects of Energy in Japan*. The conclusion reached there is that expansion of production will lag behind the large increase in requirements of coal used for heating, and mostly in the steel industry, as a raw material. The deficit is to be made up by a rising volume of imports, mostly of coking coal, which cannot be replaced by other sources of energy, and, to a minor extent, of anthracite and by large-scale substitution of heavy oil for coal now being used for heating purposes. Partly for this reason, demand for oil products will rise rapidly, and is to be satisfied by imports, mostly of crude oil. An increase in heavy oil imports is also foreseen, however (as a demand structure heavily biased towards heavy oils, rather than petrol, makes a balanced output of refinery products impossible), while the already small imports of other products are to be eliminated. The results show that imports of coal will increase by nearly five times, of crude petroleum by nearly four times, and of petroleum products by 150 per cent.¹

Future iron ore imports were estimated by relating them to the growth in pig iron production,² which indicates an increase of some 250 per cent. Taking the limited scope for increasing domestic iron ore production into account, an increase of some

300 per cent during the twenty-year period was projected for imports.

The non-ferrous ores and metals face varying prospects. Japan is wholly dependent on imports for the two metals for which demand is likely to increase most rapidly, i.e. nickel and aluminium. Demand for aluminium is geared to production in some of the fastest expanding industries, and many entirely new uses are being found for it. The index in table 37 implied that the output of the Japanese aluminium industry would, in the next twenty years, increase some two and a half times faster than the gross national product, as account was taken not only of increasing home demand, but of rising exports as well. Nickel requirements, and thus imports, were supposed to increase at least in line with the expansion of the steel industry, or by 160 per cent in twenty years.

Demand for copper and lead may be expected to increase at a considerably slower rate, more in line with the growth of the national product, or, in the case of lead perhaps rather less. Import requirements were more difficult to estimate, as Japan has a sizable domestic output of copper and lead ores. Assuming that domestic production will be increased at the same rate as the expansion in demand, imports could increase by some 100 per cent in the case of lead, and 125 per cent in that of copper. Demand for tin is unlikely to expand greatly,³ while demand for zinc, although expanding fairly fast, is unlikely to result in higher imports, as Japan will probably continue to be self-sufficient in this metal.

The projections given in table 37 refer to imports in terms of metal content, whether in the form of ores, or of refined metals. In actual fact, such imports into Japan largely take the form of ores, except in the case of tin and lead. In the future, however, there may well be a tendency to import rather more metals and less ores, as the ore producing countries are likely to increase their ore refining operations. Barring these developments, imports of non-ferrous ores (including scrap) may be expected to increase on the average by some 175 per cent, and imports of individual refined metals by the percentages indicated above.

Finally, imports of a miscellaneous group of minerals, including crude fertilizers, were considered. Domestic requirements of fertilizers may be expected to increase rather slowly in line with agricultural output, but there is considerable scope for expansion of exports to meet the rapidly rising demand in Asia (see chapter 4, table 31). In view of these considerations, total imports of crude minerals were projected to double.

¹ *Long-term Prospects*, Table 6. These estimates do not allow for the possible use of nuclear energy which would affect the import demand for fuel oil to be used in thermal power plants. Great uncertainty is still attached to the economic possibilities and difficulties of nuclear energy, but its utilization in Japan is unlikely to surpass, in the relatively near future up to 1975, that in western Europe, estimated by the OEEC to reach some 25 per cent of all power consumption by that date. On that basis, rough calculations suggest that this would obviate the need for imports of heavy oils altogether, but not influence the demand for imports of crude oil or other fuels. Even substitution on this large scale would affect the export prospects of few countries of the region, and those only to a small or marginal extent.

² *Ibid.*, table 1.

³ *Ibid.*

ASIAN ECONOMIC STATISTICS

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UNITS AND SYMBOLS EMPLOYED

Unless otherwise stated "tons" relate to metric tons, and "dollars" relate to United States dollars.

The following symbols have been used throughout:

- * = 12 months beginning 20-23 March of the year stated.
- † = 12 months beginning April of the year stated.
- ‡ = 12 months ending September of the year stated.
- § = 12 months ending June of the year stated.
- Mn = million.
- I, II, III, and IV for quarters of years.

- . = not applicable.
- ... = not available.
- = nil or negligible.
- r = revised figures from this issue.
- Figures in italics are provisional or unofficial.
- Figures in brackets are from national sources.

Substantial breaks in the homogeneity of a series are indicated either by a horizontal line across the column or by vertical double lines in a row of figures.

SOURCES

To ensure comparability, data compiled or published by the United Nations Statistical Office have been incorporated wherever feasible; material supplied by governments, publications of governments, of the United Nations specialized agencies and of international commodity study groups have been used as additional sources.

REGIONAL STATISTICS

1. REGIONAL STATISTICAL SERIES

Annual and quarterly figures

	1951	1952	1953	1954	1955	1956	1957	1958	1958		1 9 5 8	
									III	IV	I	II
POPULATION (<i>Mid-year, million</i>)												
Including mainland China	1,341	1,365	1,389	1,414	1,436	1,462	...	...	.	.	.	.
Excluding mainland China	783	796	808	819	828	841	853	865	.	.	.	.
AGRICULTURAL PRODUCTION^a												
Index of agricultural production (1952/53—1956/57=100)												
All commodities . . . . .	...	93	98	100	103	106	105	108	.	.	.	.
Food . . . . .	...	92	99	100	103	106	105	107	.	.	.	.
Per capita food . . . . .	...	95	100	100	102	103	100	101	.	.	.	.
Cereals (<i>million tons</i>)												
Rice (paddy)	93.4	99.0	111.0	104.1	112.9	118.5	109.6	122.5	.	.	.	.
Wheat	15.6	14.7	15.7	17.7	18.4	18.6	19.6	17.8	.	.	.	.
Maize	4.8	5.5	6.9	7.8	6.8	7.3	7.2	7.9	.	.	.	.
Millet and sorghums	13.0	15.1	18.5	18.2	15.5	15.4	16.6	17.8	.	.	.	.
Starchy root crops (<i>million tons</i>)												
Potatoes	5.4	5.6	5.2	5.6	5.9	5.9	6.8	6.8	.	.	.	.
Sweet potatoes and Yams	11.2	13.4	12.8	13.3	15.3	15.6	15.0	15.5	.	.	.	.
Cassava	9.4	9.7	11.8	12.8	12.4	12.3	13.1	14.1	.	.	.	.
Oilseeds (<i>million tons</i>)												
Groundnuts (in shell)	3.9	3.6	4.2	5.0	4.7	5.1	5.5	5.9	.	.	.	.
Copra	2.5	2.4	2.3	2.6	2.6	2.8	2.7	2.3	.	.	.	.
Tea (<i>thousand tons</i>)	559	552	553	615	634	634	651	660	215	180	87	164
Tobacco (<i>million tons</i>)	0.6	0.7	0.7	0.8	0.8	0.9	0.9	0.8	.	.	.	.
Fibres (<i>million tons</i>)												
Cotton (lint)	1.1	1.1	1.2	1.4	1.3	1.3	1.4	1.3	.	.	.	.
Jute	2.3	2.4	1.5	1.6	2.3	2.3	2.2	2.4	.	.	.	.
Natural rubber (<i>thousand tons</i>)	1,807	1,706	1,637	1,714	1,811	1,770	1,781	1,797	491	507	424	461
INDUSTRIAL PRODUCTION												
Index of industrial production ^b (1953=100)												
Mining and manufacturing	88	90	100	110	124	149	167	170	170	175	187	194
Mining	104	94	100	100	116	133	149	150	154	153	150	158
Manufacturing	86	90	100	111	125	151	169	172	172	178	192	199
Food beverages, tobacco	83	91	100	101	120	131	137	142	126	132	186	126
Textiles	80	88	100	112	124	145	147	140	141	146	145	150
Paper and paper products	71	80	100	113	130	165	167	167	163	176	190	199
Chemicals, petroleum and coal products	87	85	100	113	133	159	183	191	195	197	198	221
Non-metallic mineral products	88	92	100	114	119	140	165	169	167	175	173	192
Basic metals	88	91	100	109	120	142	157	151	151	160	169	196
Metal product	83	81	100	116	126	177	231	244	246	266	280	331
Coal (<i>million tons</i>)	82.4	85.3	88.4	85.2	86.8	93.1	104.1	103.5	25.7	26.9	25.9	25.9
Iron ore (<i>million tons</i>)	6.81	7.77	7.70	8.41	8.91	10.34	11.55	12.09	3.28	3.20	3.49	3.91
Tin in concentrates (<i>thousand tons</i>)	101.4	104.9	104.5	109.8	109.5	108.7	104.5	73.4	18.2	16.5	15.8	17.9
Petroleum, crude (<i>million tons</i>)	29.95	15.62	17.32	19.87	34.97	45.72	57.20	62.56	16.40	15.74	16.25	17.57
Salt (<i>thousand tons</i>)	5,008	5,160	5,275	4,965	5,443	5,234	6,726	7,354	...	...	...	...
Sugar (<i>thousand tons</i>)	2,812	3,647	3,973	3,783	4,660	4,857	5,025	5,047	...	...	...	...
Cotton yarn (<i>thousand tons</i>)	981	1,076	1,219	1,346	1,380	1,490	1,590	1,487	377	388	379	384
Cotton fabrics (<i>million metres</i>)	5,980	6,606	7,545	8,153	8,188	8,889	9,268	8,257	2,017	2,055	2,106	2,089
Jute manufactures (<i>thousand tons</i>)	896	992	942	1,013	1,145	1,268	1,209	1,255	307	321	323	316
Paper and paper board (<i>thousand tons</i>)	1,333	1,525	1,946	2,136	2,478	2,858	3,285	3,380	823	899	973	1,006
Vegetable oils (<i>thousand tons</i>)	785	839	879	969	1,084	1,150	1,317	1,173	308	279	277	287
Cement (<i>million tons</i>)	11.6	12.7	14.9	17.7	17.9	21.0	24.2	25.3	6.3	6.6	6.4	7.3
Steel (ingots & metal for castings) (<i>thousand tons</i>)	8,040	8,616	9,234	9,520	11,209	12,957	14,408	14,063	3,558	3,722	4,115	3,600
Tin metal (<i>thousand tons</i>)	67.8	64.7	64.9	74.5	74.5	78.9	74.3	48.2	10.8	10.2	11.1	10.4
Electricity (<i>thousand million kWh</i>)	57.5	62.4	67.7	73.3	78.8	89.6	97.4	100.9	26.1	24.3	27.6	29.7
TRANSPORT^c												
Railway traffic (<i>thousand million</i>)												
Passenger kilometres	147.7	152.8	157.5	163.5	170.9	182.0	189.5	195.3	48.9	47.9	50.2	52.4
Freight ton-kilometres	92.9	96.5	100.0	98.3	107.5	117.5	130.2	131.2	31.8	33.7	36.4	33.3
International sea-borne shipping (<i>million tons</i>)												
Freight loaded	25.8	29.6	34.9	36.7	39.9	41.6	43.5	43.6	10.5	11.6	9.1	13.6
Freight unloaded	46.5	50.5	62.0	64.5	70.1	82.9	99.7	85.7	21.6	22.1	21.7	25.6
EXTERNAL TRADE												
Total value (<i>million US dollars</i>)												
Exports	9,732	7,599	6,940	7,256	8,346	8,880	9,454	8,829	2,198	2,391	2,155	2,465
Imports	9,585	9,528	8,893	8,566	9,152	10,915	13,075	10,568	2,454	2,614	2,422	2,774
Quantum index ^{d,e} (1953=100)												
Exports	102	99	100	110	125	133	142	138	137	148	134	150
Imports	96	98	100	106	110	129	145	125	116	127	117	140
Unit value index ^{d,e} (1953=100)												
Exports	146	110	100	99	102	100	100	95	94	95	96	97
Imports	120	108	100	96	96	97	103	96	96	93	94	91
Terms of trade ^{d,e} (1953=100)	122	101	100	103	106	103	98	98	98	102	101	107

REGIONAL STATISTICS

1. REGIONAL STATISTICAL SERIES (Cont'd)
Annual and quarterly figures

	1951	1952	1953	1954	1955	1956	1957	1958	1958		1 9 5 9		
									III	IV	I	II	III
EXTERNAL TRADE (Cont'd)													
Direction of trade*													
(million US dollars)													
Exports to:—													
ECAFE countries	3,522	2,964	2,562	2,539	2,669	2,984	3,180	2,814	664	731	636	748	748
Western Europe (including U.K.)	2,713	1,863	1,759	1,789	2,135	2,198	2,120	1,993	512	560	462	507	557
U.K.	1,249	840	744	845	1,004	1,004	922	1,002	266	290	235	246	279
U.S.A.	1,641	1,390	1,238	1,172	1,530	1,532	1,652	1,630	402	466	458	551	576
Sterling area	4,006	2,851	2,339	2,691	2,964	2,990	3,191	2,998	754	838	684	764	812
Imports from:—													
ECAFE countries	3,364	3,100	2,794	2,679	3,012	3,388	3,648	3,298	766	881	740	858	885
Western Europe (including U.K.)	2,349	2,436	2,221	2,188	2,202	2,590	3,183	2,419	565	634	572	683	660
U.K.	1,029	1,073	930	902	955	1,133	1,323	1,033	248	272	232	286	278
U.S.A.	1,992	2,193	1,800	1,813	1,990	2,414	3,371	2,572	578	654	554	676	622
Sterling area	2,954	2,914	2,682	2,400	2,659	3,076	3,613	2,866	678	770	683	781	728
Export of primary products†													
Quantum index (1953=100)													
General	101	98	100	102	108	109	112	106	109	109	100	109	111
Food	99	96	100	107	108	115	120	114	114	105	106	114	118
Agricultural materials	107	101	100	99	109	105	101	99	103	111	99	98	109
Mineral products	81	95	100	95	100	111	133	112	120	111	76	147	98
Unit value index (1953=100)													
General	147	118	100	100	108	102	102	99	98	106	101	101	108
Food	94	100	100	105	95	91	93	92	98	100	86	76	90
Agricultural materials	189	131	100	97	119	111	110	102	97	100	112	120	122
Mineral products	105	109	100	93	95	101	102	108	106	109	108	107	102
Quantity of exports (thousand tons)													
Food													
Fish, fresh or simply preserved	121	145	153	164	180	173	172	279	67	85	63	53	58
Rice and rice products	3,410	2,945	2,654	2,987	3,294	3,244	3,988	3,064	644	503	716	887	949
Sugar	857	1,255	1,755	1,604	1,689	1,632	1,804	1,959	473	345	537	605	266
Tea	432	394	436	459	408	458	420	457	133	134	85	92	124
Spices	49	62	59	74	80	90	88	74	20	23	27	16	21
Agricultural materials													
Hides and skins, raw	44	22	24	24	22	20	20	18	5	5	4	8	5
Oilseeds, oil nuts & oil kernels	1,427	1,143	1,017	1,219	1,232	1,416	1,396	1,092	307	320	215	191	306
Rubber, natural	1,756	1,692	1,611	1,688	1,782	1,699	1,737	1,689	466	489	472	449	495
Wood and lumber	893	1,094	1,481	1,732	2,023	2,251	2,359	3,321	907	960	748	1,156	1,306
Cotton, raw	283	321	379	222	320	265	204	223	61	45	55	47	45
Jute, raw	1,078	841	982	892	981	958	785	906	106	278	201	156	162
Hemp, raw	149	127	132	122	135	143	141	109	28	25	30	30	25
Vegetable oils, not essential	425	495	404	499	602	515	450	417	120	119	81	94	93
Mineral products													
Iron ore	2,144	3,152	3,728	3,540	4,399	5,636	6,631	5,877	1,965	1,313	1,221	2,482	2,256
Tin ore and concentrates	42	46	45	45	44	45	42	27	7	6	6	7	9
Manganese ore	1,162	1,463	1,593	1,006	936	712	1,742	976	262	197	246	290	246
Coal	2,451	2,729	2,201	2,063	1,562	1,940	1,655	1,800	462	446	436	349	395
Crude petroleum	4,974	5,670	6,963	7,083	8,367	10,027	12,408	12,478	3,193	3,409	1,535‡	4,484	1,639
GOLD AND FOREIGN EXCHANGE													
ASSETS* (end of period, million US dollars)													
	4,742	5,317	4,951	5,013	5,700	5,442	4,241	4,046	3,947	4,046	4,223	4,282	4,450

GENERAL NOTES: In general, the regional statistical series cover the countries of the ECAFE region except mainland China, Nepal and, in most of the cases, Afghanistan and Iran; in some cases, other countries have also been omitted because of lack of data. Except in the case of mainland China, countries omitted from the regional series are, from the point of view of the series, usually less important. To ensure comparability, the countries included in different periods for each series are the same.

a. Crop year except rubber and tea beginning from the year stated. FAO source except rubber and tea for which the International Rubber Study Group and the International Tea Committee figures are used respectively.

b. This index compiled by the United Nations Statistical Office, covers Afghanistan, Brunei, Burma, Ceylon, China: Taiwan, Federation of Malaya and Singapore, Hong Kong, India, Indonesia, Iran, Japan, Republic of Korea, Pakistan, Philippines, Sarawak, Thailand and Republic of Viet-Nam. For more detailed statistics and explanatory notes see United Nations Monthly Bulletin of Statistics.

c. For countries covered see table 14 below.

d. Based on quantum and unit value indexes of exports and imports, compiled by governments, for Burma, Ceylon, China: Taiwan, Federation of Malaya and Singapore, India, Indonesia, Japan, Republic of Korea (since 1957), Pakistan, Philippines, Thailand and Republic of Viet-Nam. (Quantum indexes for Indonesia, Korea and Pakistan are derived from unit value indexes.) These national indexes are combined to form the regional index with the dollar

values of exports and imports in the base year 1953 as weights. Exports and imports of the countries included in the index account for 89 and 90 per cent of total exports and imports of the region respectively, excluding Afghanistan, mainland China, Iran and Nepal, in the base year. Intra-regional trade is not deducted.

e. For countries covered see table 16 below.

f. Exports of 18 primary products and food from 10 countries and territories (excluding Afghanistan, mainland China and Nepal) are included in the index. To minimize the effect of transit trade, only export of domestic produce is included for Hong Kong and net export of rubber is used for the Federation of Malaya and Singapore. The quantity of exports of each item is totalled for 19 countries and territories and relatives have been then weighed by the total value of exports of each commodity in 19 countries and territories in terms of United States dollars in 1953 to form the quantum index. The unit value index is obtained by dividing the index of total value of exports in United States dollars by the quantum index. The commodities included in the index account for 44 per cent of the total value of exports from the 16 countries. (If Hong Kong and Japan are excluded, the percentage is increased to 57.)

g. Includes Burma, Ceylon, China (Taiwan), Federation of Malaya and Singapore, India, Indonesia, Iran, Japan, (official only), Republic of Korea, Pakistan, Philippines, Thailand and Republic of Viet-Nam. Figures prior to 1952 exclude Japan and those prior to 1955 exclude Viet-Nam.

POPULATION AND EMPLOYMENT

2. AREA AND POPULATION

	Area (km ²)	Latest census		Estimates of midyear population (thousand)							
		Date	Population	1937	1953	1954	1955	1956	1957	1958	1959
Afghanistan	650,000 ^a			10,972	...	...	...	(13,000)	13,000	13,000	...
Brunei	5,765	27/11/1947	40,657	35	52	58	63	68	73	77	...
Burma	677,950	1/ 2/1953	2,940,704 ^b	15,635	19,272	19,464	19,658	19,856	20,054	20,255	20,457
Cambodia	172,511	-/ 4/1959	4,845,000 ^c	3,046 ^{d1}	...	4,100	...	4,359	4,600	4,740 ^{e2}	4,845 ^{f3}
Ceylon ^d	65,610	20/ 3/1953	8,097,895	5,725	8,290	8,520	8,723	8,929	9,165	9,388	...
China: Mainland	9,761,012	30/ 6/1953	582,603,417 ^e	446,930	582,603	594,840	608,185	621,225	...	...	...
China: Taiwan ^f	35,961	16/ 9/1956	9,863,264	5,530	8,261	8,617	8,907	9,240	9,506	9,851	10,223
Federation of Malaya ^g .	131,313	17/ 6/1957	6,278,758	4,083	5,706	5,889 ^{h1}	5,883	6,070	6,279	6,515	...
Hong Kong ^h	1,013	7/ 3/1931	849,751	1,135	2,250	2,277	2,340	2,440	2,583	2,748	2,851
India ⁱ	3,263,373	1/ 3/1951	356,741,669	303,626	372,300	377,130	382,390	387,350	392,440	397,540	402,750
Indonesia	1,491,562	7/10/1930	60,412,962	67,398	79,500	80,500	81,500	83,200	85,100	87,300	89,600
Iran ^j	1,648,000	1-15/11/1956	18,954,704	16,200 ^{k1}	17,476	17,896 ^{l1}	18,325	18,765	19,216	19,677	20,143
Japan ^k	369,661	1/10/1955	89,275,529	70,040	86,700	88,000	89,000	90,020	90,880	91,760	92,740
Korea ^m	220,891	1/10/1944	25,120,174 ^{m1}	21,528	30,000	...	28,000 ⁿ	31,400	32,500 ⁿ	30,505	...
Republic of Korea ⁿ . .	96,929	1/ 9/1955	21,526,374	...	21,440	21,796 ^{o1}	21,526 ⁿ¹	21,982	22,329	22,505	22,680
Laos ^p	236,800			1,012 ^{p1}	(1,445)	(1,505)	(1,550)	(1,600)	(1,655)	(1,690)	...
Nepal	140,798	28/ 5/1952- 28/ 5/1954	8,256,625	6,000	...	8,445	8,555	8,666	8,787	8,910	9,041
North Borneo	76,112	4/ 6/1951	334,141 ^q	295 ^{q1}	355	364	373	383	397	409	(413)
Pakistan ^r	944,824	28/ 2/1951	75,842,165	...	80,039	81,186	82,240	83,280	84,450	85,635	86,823
Philippines	299,681	-/ 5/1958	23,749,125 ^t	15,445	21,211	21,720	22,241	22,775	23,322	24,010	24,711
Sarawak	123,025	26/11/1947	546,385	440	592	602	614	626	640	655	...
Singapore ^u	581	17/ 6/1957	1,445,929	651	1,192	1,248	1,306	1,372	1,446 ^{u1}	1,515	1,581
Thailand	514,000	23/ 2/1956	20,095,130 ^v	14,492	19,556	19,925	20,302	20,690	21,076	21,474	21,861
Viet-Nam ^w	326,034			18,972 ^{w1}	25,880	26,000	26,300	26,600	26,800 ^x	27,800 ^x	...
Republic of Viet-Nam . .	170,806				(9,766)	(9,934)	(11,534)	12,300	12,300	12,800	(13,200)

Source: United Nations Statistical Office and FAO, except those in brackets which are from national sources.

General Note: For details and explanatory notes, see United Nations Demographic Yearbook 1959.

- a. UN estimate.
- b. De jure population in 252 towns approximating the urban area of the Union, these are the results of the first stage of a multistage sample census. In the second stage enumeration carried out 1 February 1954, an additional 2,908,001 persons were enumerated in 3,159 village tracts, 2,143 of which were in Burma proper and 1,016 in Kachin State. The regular census of Burma was in 1941.
- c. Estimated from results of a demographic sample survey covering 345 villages, and supplementary administrative reports.
- d. Mid-year 1936 estimate.
- e. Estimated from provisional results of an April 1958 demographic sample survey in 3,460 villages, supplemented by administrative reports.
- f. Estimated from results of an April 1959 demographic sample survey in 345 villages, supplemented by administrative reports.
- g. Population excluding non-resident military and shipping personnel. Census figure relates to population actually enumerated; total, both sexes, including 0.7% adjustment of under-enumeration is 8,154,580.
- h. Population registered, plus estimate of 8,397,477 for persons living in outlying area where local registration offices were not established. No adjustment has been made for 0.1% estimated net under-enumeration. Source: Hsin Hua Monthly.
- i. Estimates exclude armed forces and, beginning 1946, foreigners. Census figure including Quemoy and Matsu Islands.
- j. Population excludes transients afloat and service personnel in service establishments.
- k. Estimates for this and previous years not yet revised to accord with latest census.
- l. Estimates excluding armed forces.
- m. Area including Kashmir-Jammu. Census population relates to De jure population actually enumerated (excluding a 1.1 per cent adjustment for net under-enumeration) in area excluding Kashmir-Jammu, the part "B" tribal areas of Assam where census could not be taken, and settlements of Karikal, Mahé, Pondichéry and Yanam which did not become part of India until 1 November 1954 (population estimated at 325,000 in 1952). Estimates including Sikkim, and Kashmir-Jammu, the final status of which has not been determined.

- j. Population excludes nomadic tribes, numbering 440,175 for both sexes at 1956 census.

- j1. 21 March estimate.

- k. Population excludes Allied military and civilian personnel and their dependents stationed in the area. Census population relates to population actually enumerated, not including 0.39 per cent adjustment for under-enumeration.

- m. Data are for resident Korean nationals only.

- m1. De jure population.

- n. Population excludes armed forces, civilian aliens employed by armed forces, and foreign diplomatic personnel.

- n1. Census 1/9/1955.

- p. 1953-1957 figures are from national source, all revised upward from previous estimates because of the following reasons: (1) Reintegration of the two provinces of Phongsaly and Samneui; (2) Immigration of 200,000 people from Thailand; (3) Includes persons less than 20 years old not recorded in previous estimates, this group is estimated to comprise more than 50% of the total population of Laos.

- p1. 31 December estimate.

- q. Excluding 1,442 transients and 66 men of British armed forces.

- q1. Excluding population of Labuan acquired from Straits Settlements in 1946 (population 7,507 at 1 April 1931 census).

- a. Data are for territory excluding Kashmir-Jammu (population estimated at 4,410,000 in 1951, area 222,380 km²), the final status of which has not yet been determined, Junagadh, Manavadar, Gilgit, Baltistan and the port and peninsula of Gwadar acquired from Muscat and Oman on 8 September 1958.

- t. Estimated from results of May 1958 Philippine Statistical (sample) Survey of Private Households.

- u. Present territory, i.e., Singapore Island only, excluding Christmas Island which ceases to be part of the Colony on 1 January 1960 and was transferred to Australia on 1 October 1958. Population excludes transients afloat and non-locally domiciled military and civilian services personnel and their dependants, numbering 3,460 and 27,299, respectively, at 1957 census.

- u1. Census 17/6/1957.

- v. Based on results of a demographic and economic sample survey which covered 2,241 villages and 64 large municipalities. Total is subject to error of ± 1.58 per cent. The last population census was taken in 1947.

- w. Comprising former Annam, Cochinchina and Tonkin.

- w1. for 1936-37.

POPULATION AND EMPLOYMENT

3. CRUDE RATES OF LIVE BIRTHS AND DEATHS PER ANNUM

Number of Live Births or Deaths per 1,000 persons

	Brunei	Burma	Ceylon	China: Taiwan ^a	Fed. of Malaya ^b	Hong Kong	India ^c	Iran ^d	Japan ^e	North Borneo	Philip- pines ^f	Sara- wak	Singa- pore	Thail- and
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(1) LIVE BIRTHS

1935-39	32.1 ^g	35.6	44.7	40.2	26.7 ^h	33.8	...	29.2	...	32.3	...	46.0	34.9
1940-44	36.6	41.7 ^h	39.4 ^h	25.2 ^h	29.1	26.9 ^h	30.1	...	32.5 ^h	...	44.9 ^h	35.2
1945-49	45.2 ^h	36.1 ^h	38.2	40.2 ^h	40.5 ^h	25.3 ^h	27.0	27.3	30.1	19.1 ^h	25.6 ^h	14.1 ^h	46.4 ^h	25.1
1950	50.7	39.6 ⁱ	39.7	43.3	42.0	26.8	24.9	31.8 ^j	28.2	26.6	21.9	22.2	45.3	28.4
1955	57.3	37.1 ⁱ	37.3	45.3	44.3	38.7	27.0	46.4	19.4	31.6	(33.0)	22.9	44.3	34.2
1956	59.6	35.9 ⁱ	36.4	44.8	46.9	39.7	20.1	34.8	18.5	32.5	(33.3)	25.2	44.4	37.4
1957	45.5	36.0 ⁱ	36.5	41.4	46.2	37.9	19.8	39.6	17.2	37.3	(32.1)	24.0	43.4	...
1958	56.8	...	35.5	41.7	43.2	38.8	23.9 ^k	42.8	18.0	39.5	(31.9)	28.5	42.0	...
1959 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
June . . . . .	...	...	...	36.1	...	35.2	23.4 ^k	21.6	15.3	...	...	...	...	...
Sept. . . . .	...	...	...	41.7	...	45.9	...	...	16.5	...	...	...	...	...

(2) DEATHS

1935-39 . . . . .	...	22.0 ^g	24.5	20.2	20.8	29.1 ^h	22.6	...	17.4	...	16.7	...	22.1	16.4
1940-44 . . . . .	...	...	19.7	18.3 ^h	20.1 ^h	35.8 ^h	22.6	12.5 ^h	16.3	...	16.6 ^h	...	20.8 ^h	17.3
1945-49	19.7 ^h	37.7 ^h	16.0	13.7 ^h	17.5 ^h	8.6 ^h	17.4 ^h	8.5	16.7	13.3 ^h	12.4 ^h	6.0 ^h	12.5 ^h	13.3
1950	18.1	46.8 ⁱ	12.4	11.5	15.8	8.2	16.1	9.5	10.9	11.9	8.2	11.2	12.0	10.0
1955	14.0	21.1 ⁱ	10.8	8.6	11.8	8.2	11.7	11.1	7.8	11.0	(9.6)	7.1	8.1	9.2
1956	13.2	21.8 ⁱ	9.8	8.0	11.6	7.9	9.1	7.7	8.0	10.2	(9.6)	6.6	7.5	9.8
1957	15.6	21.4 ⁱ	10.1	8.5	12.4	7.5	10.2	8.6	8.3	9.4	(10.4)	6.6	7.4	...
1958	11.8	...	9.7	7.6	11.0	7.5	11.9 ^k	8.9	7.5	7.9	(9.1)	6.2	7.0	...
1959 . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
June . . . . .	...	...	...	7.4	...	8.0	12.1 ^k	3.5	6.5	...	...	...	...	...
Sept. . . . .	...	...	...	7.2	...	6.8	...	...	6.4	...	...	...	...	...

Sources: United Nations Statistical Office, except figures in brackets which are from national sources and may not be comparable with other figures.

a. Excluding armed forces and beginning 1949 excluding foreigners, births also excluding liveborn infants dying before registration of births, deaths excluding deaths of infants dying before registration of births.

b. Prior to 1941, territory of former British Malaya, i.e. including Singapore.

c. Data are for a changing group of states and territories which, in 1957, included a population of about 356 million. Birth registration completeness varies between 65 and over 90 per cent.

d. Births prior to 1952 and death prior to 1950 are for years ended 29 March. Births beginning 1952 and death beginning 1950 are for years ended 21 December.

e. Japanese nationals in Japan only. Beginning May 1952 including Tokara Archipelago and beginning 1954 including Amami Islands acquired from Ryukyu Islands on 5 December 1951 and 25 December 1953 respectively.

f. Since 1955 data derived from the number of births and deaths compiled by the Bureau of Health.

g. Registration area only, representing 82.5% of total population at 1931 census.

h. Average of less than 5 years.

i. Data for certain towns only, numbering 49 in 1950, 61 in 1955, 74 in 1956, 68 in 1957 and having a present population of approximately 2 million.

j. For year-ended 20 March 1951, but computed on 1950 mid-year population.

k. Not computed by the Statistical Office of the United Nations.

NATIONAL ACCOUNTS

4. EMPLOYMENT

	1953	1954	1955	1956	1957	1958	1958			1959				
							II	III	IV	I	II	III	Oct	Nov
CHINA ^a (Taiwan, thousand)														
Mining	57	53	55	66	74	74	73	72	74	72	74	74	74	74
Manufacturing	238	258	258	260	261	261	261	261	261	261	262	262	262	262
Transport	55	64	66	68	71	73	71	71	73	73	75	75	75	75
FEDERATION OF MALAYA ^b (thousand)														
Estate ^c . . . . .	...	297	309	309	307	314	...	...	...	...	...	...	...	...
Rubber . . . . .	...	268	278	280	277	282	...	...	...	...	...	...	...	...
Tin mining . . . . .	...	35	40	40	38	26	...	...	...	...	...	...	...	...
Government . . . . .	...	...	171	171	189	187	...	...	...	...	...	...	...	...
INDIA ^d (thousand)														
Factories under Factory act	2,528	2,590	2,690	3,402	3,480	3,324	...	...	...	...	...	...	...	...
Cotton mills	744	741	758	807	812	770	748	768	782	766	746	767	...	...
Coal mines ^e	338	332	341	333	350	364	362	359	368	377	361	361	...	...
Central government ^f . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Office workers	213	221	251	281	300	313	307	311	313	315	318	323	...	...
Manual workers	403	412	396	388	389	401	396	399	401	404	406	410	...	...
JAPAN ^g (million)														
All industries	39.1	39.6	40.9	41.7	42.8	43.1	44.2	43.7	43.9	41.2	44.9	44.5	45.5	...
Agriculture, forestry and hunting	16.9	16.5	16.9	16.4	16.1	15.5	16.7	16.3	15.4	12.4	17.0	16.2	17.6	...
Mining	0.6	0.6	0.5	0.5	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	...
Manufacturing	6.8	7.0	7.1	7.6	8.1	8.6	8.7	8.6	8.6	8.7	8.2	8.6	8.4	...
Construction	1.6	1.7	1.8	1.8	2.0	2.0	1.9	2.0	2.2	2.4	2.2	2.2	2.0	...
Commerce	5.8	6.3	6.7	7.0	7.3	7.5	7.5	7.5	7.7	7.4	7.6	7.8	7.6	...
Transportation, communication and other public utilities	1.9	1.9	1.9	2.1	2.2	2.2	2.1	2.2	2.3	2.3	2.2	2.3	2.4	...
Services (non-government)	3.7	3.8	4.3	4.6	4.9	5.0	4.9	4.8	5.1	5.4	5.1	4.9	5.2	...
PHILIPPINES														
Index of employment ^h (1953=100) . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Mining	100	77	81	81	77	72	71	72	75	77	76	76	...	...
Manufacturing	100	106	106	107	113	113	112	111	115	120	119	115	...	...
THAILAND ^d (thousand)														
Mining	16.1	14.7	15.6	16.6	17.4	14.9	14.8	14.3	14.1	14.0	14.1	14.0	14.2	14.1

a. Staff and permanent workers at end of period.

b. June for 1954, August for 1955, July for 1956 to 1958.

c. Comprising rubber, oil palm, coconut, tea and pineapple.

d. Daily averages.

e. Average daily employment in all coal mines governed by the Indian Mines Act. Monthly figures are slightly short of total coverage.

f. Central government establishments excluding railways. Office workers comprise administrative, executive and clerical staff; manual workers comprise skilled, semi-skilled workers. Figures relate to end of period.

g. Average for the week ending on the last day of the month, except for December when the week prior to holiday seasons was chosen.

h. Comprising all full and part-time employees of 600 co-operating establishments in the Philippines who were on the payroll i.e., who worked during, or received pay for, the pay period ending nearest the 15th of the month. Excluding proprietors, self-employed persons, domestic servants and unpaid workers.

5. NATIONAL INCOME

Year	Burma	Cambodia ^a	Ceylon	China ^b (mainland)	China ^b (Taiwan)	Hong Kong ^c	India	Indonesia ^c	Japan	Korea, ^d Republic of	Pakistan ^e	Philippines	Thailand ^e	Viet Nam, Republic of
	million kyats	million riels	million rupees	million yuan	million new Taiwan dollars	million Hong Kong dollars	thousand million rupees	thousand million rupiah	thousand million yen	thousand million hwan	million rupees	million pesos	million baht	million piastres
1938	1,213	8,017	...	...	724 ^f	...	...	2.7	20	...	...	...	855	...
1946 . . . . .	...	...	...	...	...	...	...	...	361	...	...	4,202	9,284	...
1947	2,631	...	...	...	...	1,564	...	...	968	...	...	5,364	14,407	...
1948	3,132	...	...	...	...	1,775	86.5	...	1,962	...	...	5,511	16,668	...
1949	2,901	...	...	...	...	2,330	90.1	...	2,737	...	17,238	5,464	20,064	...
1950	2,744	...	3,734	...	6,106	2,800	95.3	...	3,382	...	18,324	5,922	23,377	...
1951	3,199	10,759	4,422	...	8,942	2,800	99.7	63.6	4,525	...	18,161	6,487	24,746	...
1952	3,520	11,413	4,275	61,130	13,047	3,200	98.2	78.8	5,085	...	18,482	6,554	25,907	...
1953	4,033	11,654	4,353	70,040	17,882	3,600	104.8	83.3	5,748	400.6	19,447	7,015	29,186	...
1954	3,917	13,022	4,531	73,880	18,807	4,000	96.1	91.6	6,021	562.2	19,857	7,145	28,684	...
1955	4,126	11,516	5,123	78,800	22,561	...	99.8	100.0	6,681	943.9	19,516	7,624	36,400	54,435
1956	4,450	12,790	4,846	88,750	26,041	...	113.1	...	7,531	1,192.0	20,785	8,414	37,957	58,486
1957	4,497	14,524	5,067	...	29,982	...	113.6	...	8,169	1,606.5	20,987	8,818	37,927	...
1958	4,344	...	...	...	31,901	...	...	...	8,449	...	20,839	9,232	40,802	...

Sources: United Nations Statistical Office and official national sources except for the following: China (mainland): Lu Kuang, "China's National Income", Peking Review No. 8, 8 April 1958; Hong Kong: Edward Szepepanik, *The Economic Growth of Hong Kong*.

Time reference: Cambodia, Ceylon, China (mainland & Taiwan), Indonesia, Philippines and Republic of Viet-Nam: calendar years; Thailand: fiscal year beginning 1 April for 1938, and calendar years from 1946; Hong Kong, India and Pakistan: fiscal years beginning 1 April; Japan: calendar year for 1938, fiscal years beginning 1 April from 1946; Burma: fiscal years beginning 1 April for 1938, and fiscal years ending 30 September from 1947; Republic of Korea: fiscal years beginning 1 July.

a. Gross domestic product at factor cost prices of 1956.

b. Total net value added at 1952 prices originated from industry, agriculture, construction, goods transport and communication and trade only.

c. Net domestic product at factor cost.

d. Gross national product at market prices.

e. At factor cost prices of 1949/50-1962/53.

f. 1937, in pre-war Taiwan yen.

NATIONAL ACCOUNTS

6. INDUSTRIAL ORIGIN OF NET DOMESTIC PRODUCT

Millions

Country, currency and year	Total	Agriculture, forestry, fishing	Mining	Manufacturing	Construction	Transportation, communication, utilities	Wholesale and retail trade	Ownership of dwellings	Public administration and defence	Other services
BURMA^a (kyats)		^b				^c				^c
1955	4,813	2,026	73	523	172	132	1,170	185	453	79
1956	5,144	2,101	77	535	160	141	1,368	194	479	89
1957	5,340	2,270	82	566	165	136	1,320	203	504	94
1958	5,182	2,184	82	551	173	138	1,189	213	555	97
1959	5,345	2,327	87	595	171	151	1,143	220	550	101
CAMBODIA^d (riels)						^e		^f		^f
1955	12,578	5,180	270	984	337	...	2,673	...	1,750	1,384
1956	13,974	6,169	71	1,224	419	...	2,767	...	1,787	1,537
1957	15,975	6,978	90	1,345	479	...	3,493	...	1,833	1,757
CEYLON^g (rupees)										
1955	5,260	2,750	7	312	443	429	310	97	509	403
1956	4,991	2,431	7	234	459	422	327	108	580	422
1957	5,230	2,480	9	275	479	457	354	125	606	445
CHINA (mainland, yuan)										
1952	61,130	36,189	— 11,003 —		1,834	2,445	9,659	...	...	...
1956	88,750	42,689	23,430		4,970	3,905	13,756	...	...	...
CHINA (Taiwan, new Taiwan dollars)										
1955	22,565	7,543	353	3,782	1,195	1,193	3,552	...	2,964	1,983
1956	26,046	8,557	598	4,468	1,338	1,352	4,296	...	3,202	2,235
1957	30,045	9,725	716	5,456	1,459	1,707	4,921	...	3,555	2,606
1958	31,964	10,209	866	5,750	1,535	1,804	5,473	...	3,732	2,595
HONG KONG^h (Hong Kong dollars)										
1954	3,960	115	15	1,300	130	300	700	260	340	800
INDIA (thousand million rupees)										
1955	99.8	45.2	1.0	— 17.5 —	— 17.9 —	— 17.9 —	4.6	5.7	7.9	7.9
1956	113.0	55.2	1.2	18.8	18.5	18.5	4.8	6.1	8.4	8.4
1957	113.6	53.3	1.4	19.5	19.1	19.1	4.9	6.6	8.8	8.8
JAPAN (thousand million yen)										
1955	6,707	1,520	130	1,593	340	614	1,040	...	— 1,471 —	...
1956	7,563	1,456	167	1,969	383	717	1,205	...	1,667	...
1957	8,208	1,533	200	2,149	419	833	1,263	...	1,811	...
1958	8,484	1,561	184	2,153	463	892	1,314	...	1,917	...
KOREA, REPUBLIC OFⁱ (thousand million hwan)										
1953	381.5	170.5	6.3	36.9	8.7	6.1	68.7	31.4	24.0	28.9
1954	529.7	196.6	5.2	51.0	19.7	11.2	93.7	56.2	44.3	51.8
1955	893.0	394.1	7.8	77.0	32.8	21.3	141.2	64.4	58.9	85.5
1956	1,113.8	527.7	11.9	98.5	37.2	27.0	158.7	77.3	68.4	107.1
1957	1,507.5	682.4	17.3	123.4	57.0	56.7	187.7	108.8	120.1	154.1
PAKISTAN^j (rupees)										
1955	19,892	11,225	43	2,189	...	565	1,851	1,109	1,130	1,780
1956	21,189	12,122	46	2,347	...	583	1,997	1,124	1,164	1,806
1957	21,345	11,954	51	2,438	...	609	1,987	1,139	1,318	1,849
1958	21,368	11,600	52	2,602	...	643	1,961	1,159	1,463	1,888
PHILIPPINES^k (pesos)										
1955	7,624	3,161	121	1,001	230	250	861	...	648	1,352
1956	8,414	3,175	122	1,195	296	286	999	...	679	1,662
1957	8,818	3,230	142	1,292	328	322	1,057	...	685	1,762
1958	9,232	3,364	138	1,474	281	327	1,096	...	705	1,847
THAILAND^l (baht)										
1954	32,458	13,952	547	4,108	972	1,824	5,639	...	1,598	3,817
1955	40,983	17,604	615	4,988	1,247	2,098	7,780	...	2,438	4,213
1956	42,500	17,982	698	5,320	1,378	2,310	8,040	...	2,355	4,417
1957	42,999	16,589	698	5,851	1,765	2,612	8,374	...	— 7,110 —	...
1958	45,970	18,398	520	6,437	1,975	2,715	8,459	...	7,466	...
VIET-NAM, REPUBLIC OF^m (piastres)										
1955	55,081	15,551	88	5,254	1,301	2,201	14,217	2,010	9,498	4,961
1956	60,257	18,182	143	5,839	1,044	2,181	15,864	2,049	9,870	5,085

Source and time reference: See table 5.

a. Gross domestic product at market prices.

b. Including milling and marketing of forest produce.

c. Private transportation included in "Other services."

d. Gross domestic product at 1956 market prices.

e. Transportation and communications are included under all other sectors.

f. Ownership of dwellings included under "Other services".

g. Gross domestic product at factor cost.

h. Total net value added at 1952 prices originated from agriculture, industry, construction, goods transport and communication, and trade only.

i. National income.

j. Including processing, marketing and ancillary activities performed

k. At factor cost prices of 1949/50-1952/53.

l. Utilities included under "Manufacturing".

m. Construction included under "Other services".

n. Including all services of general government.

o. Banking, insurance and real estate services included under "Wholesale and retail trade".

NATIONAL ACCOUNTS

7. EXPENDITURE ON GROSS DOMESTIC PRODUCT

	Consumption expenditure		Gross fixed capital formation	Increase in stocks	Exports less imports of goods and services	Gross domestic product at market prices	Less indirect tax net of subsidies	Less depreciation	Less net factor income payments abroad	Net national product at factor cost (national income)
	Private	General government								
BURMA (kyats)										
1953	2,931	525	652	224	288	4,620	- 334	- 255	2	4,033
1954	2,982	698	833	178	- 102	4,589	- 411	- 269	8	3,917
1955	3,134	638	906	103	32	4,813	- 406	- 280	- 1	4,126
1956	3,391	686	952	- 22	137	5,144	- 392	- 290	- 12	4,450
1957	3,778	738	1,018	67	- 261	5,340	- 540	- 302	- 1	4,487
1958	3,553	840	1,118	9	- 338	5,182	- 509	- 316	- 13	4,344
1959	3,604	830	1,070	13	- 172	5,345	...	- 332	- 10	...
CEYLON (rupees)										
1953	3,672	619	475	27	- 65	4,729	- 252	- 86	- 38	4,353
1954	3,555	599	436	34	395	5,018	- 378	- 63	- 47	4,531
1955	3,969	629	548	50	445	5,641	- 381	- 76	- 61	5,123
1956	3,762	809	550	34	212	5,367	- 376	- 89	- 55	4,846
1957	4,137	898	673	37	- 84	5,661	- 431	- 112	- 51	5,087
CHINA (Taiwan, new Taiwan dollars)										
1953	15,055	3,145	2,540	1,292	- 1,249	21,203	- 2,412	- 906	- 3	17,881
1954	16,299	3,935	2,737	1,399	- 2,107	23,158	- 3,188	- 1,159	- 4	19,807
1955	19,685	4,792	3,487	577	- 1,114	27,889	- 3,923	- 1,401	- 4	22,561
1956	23,232	6,132	3,880	851	- 1,667	32,302	- 4,489	- 1,767	- 5	26,041
1957	26,994	7,125	4,738	1,209	- 2,323	38,049	- 5,635	- 2,369	- 63	29,981
INDIA (thousand million rupees)										
1950	88.8	5.6	9.7	...	0.2	104.3	- 5.0	- 3.8	- 0.2	95.3
1951	95.0	5.8	10.9	...	1.9	109.8	- 5.9	- 4.0	- 0.2	99.7
1952	90.9	6.0	10.8	...	0.1	107.8	- 5.2	- 4.2	- 0.1	98.2
1953	97.0	6.4	11.3	...	0.1	114.6	- 5.6	- 4.2	-	104.8
1954 . . . . .	...	6.7	...	...	0.4	...	- 6.2	...	-	96.1
1955 . . . . .	...	7.2	...	...	0.7	...	- 6.8	...	-	99.8
1956 . . . . .	...	7.9	...	...	4.1	...	- 7.7	...	0.1	113.1
1957 . . . . .	...	...	...	...	4.5	...	...	...	-	113.6
JAPAN ^c (thousand million yen)										
1953	4,352	768	1,560	418	- 1	7,096	- 669	- 473	- 11	5,740
1954	4,734	846	1,503	249	159	7,490	- 734	- 556	- 29	6,021
1955	5,085	866	1,531	581	167	8,229	- 764	- 634	- 25	6,881
1956	5,453	945	2,231	722	- 68	9,282	- 874	- 770	- 32	7,531
1957	5,898	987	2,727	468	- 15	10,064	- 965	- 991	- 39	8,189
1958	6,241	1,128	2,705	48	228	10,351	- 1,053	- 1,003	- 35	8,449
KOREA, REPUBLIC OF (thousand million hwan)										
1953 . . . . .	...	...	...	...	...	395.8	...	...	5.1	...
1954 . . . . .	...	...	...	...	...	557.0	...	...	5.2	...
1955	842.8	94.9	97.4	4.4	- 109.5	930.0	47.0	...	13.9	...
1956	1,155.2	127.7	112.1	- 37.8	- 182.7	1,174.5	59.7	...	17.5	...
1957	1,389.5	207.5	181.2	42.0	- 226.8	1,593.3	85.8	...	13.2	...
PHILIPPINES (pesos)										
1953	6,816	631	559	100	5	8,111	- 579	- 408	- 109	7,015
1954	6,960	654	563	156	- 50	8,283	- 618	- 407	- 113	7,145
1955	7,501	718	624	165	- 188	8,820	- 633	- 430	- 133	7,624
1956	7,999	800	777	95	- 8	9,663	- 677	- 441	- 131	8,414
1957	8,527	829	890	208	- 293	10,161	- 738	- 477	- 128	8,818
1958	8,743	843	839	232	- 85	10,572	- 746	- 486	- 108	9,222
THAILAND (baht)										
1953 . . . . .	...	...	...	...	...	32,739	- 1,916	- 1,637	...	29,186
1954 . . . . .	...	...	...	...	...	32,458	- 2,171	- 1,623	...	28,664
1955 . . . . .	...	...	...	...	...	40,983	- 2,534	- 2,049	...	36,400
1956 . . . . .	...	...	...	...	...	42,500	- 2,417	- 2,126	...	37,957
1957 . . . . .	...	...	...	...	...	42,999	- 2,922	- 2,150	...	37,927
1958 . . . . .	...	...	...	...	...	45,970	- 2,869	- 2,299	...	40,802
VIET-NAM, REPUBLIC OF (piastres)										
1955	53,625	14,058	4,912	...	- 8,331	64,264	- 6,338	- 2,845	- 646	54,435
1956	59,266	13,208	4,021	...	- 7,076	69,419	- 6,335	- 2,827	- 761	59,496

Sources and time reference: see table 5.

a. Including statistic discrepancy and value of exports financed by personal remittances abroad.

b. Including statistical discrepancy.

c. Items do not reconcile on account of statistical discrepancy.

d. Net domestic product at factor cost.

Source:
a. Ex
b. Inc
the
c. Sto

NATIONAL ACCOUNTS

8. COMPOSITION OF GROSS DOMESTIC CAPITAL FORMATION

Millions

Country, currency and year	Gross domestic capital formation	FIXED CAPITAL FORMATION								Increase in stocks	
		By type of capital goods					By type of purchaser				
		Dwellings	Non- residential buildings	Other construc- tion and works	Transport equipment	Machinery and equipment	Private enter- prises	Public corpora- tions	Govern- ment enter- prises		General govern- ment
BURMA (kyats)											
1951	476	—	359	—	72	—	298	—	44	89	45
1952	743	—	479	—	131	—	384	—	50	176	133
1953	876	—	499	—	153	—	393	—	69	190	224
1954	1,011	—	616	—	217	—	398	—	182	253	178
1955	1,009	—	642	—	264	—	344	—	240	322	103
1956	930	—	601	—	351	—	433	—	353	166	— 22
1957	1,085	—	616	—	402	—	509	—	297	212	67
1958	1,127	—	642	—	476	—	583	—	296	239	9
1959	1,083	—	...	—	...	—	551	—	519	—	13
CEYLON (rupees)											
1951	505.5	— 213.6 —	118.4	21.9	94.3	— 261.3 —	— 186.9 —	57.3			
1952	603.5	249.9	145.9	33.9	114.4	287.5	256.6	59.4			
1953	502.3	182.2	143.5	42.3	107.0	230.1	244.9	27.3			
1954	469.5	217.1	99.2	26.9	92.3	191.5	244.0	34.0			
1955	598.7	302.0	124.4	15.0	107.3	250.3	298.4	50.0			
1956	583.6	297.4	138.0	12.9	101.5	246.9	302.9	33.8			
1957	710.1	371.5	161.5	15.5	124.5	320.0	353.0	37.1			
CHINA (Taiwan, new Taiwan dollars)											
1951	2,397	— 591 —	100	617	750	— 332 —	226	1,089 ^a			
1952	3,464	962	158	899	1,107	532	380	1,445 ^a			
1953	3,832	1,147	215	1,178	1,400	761	379	1,292 ^a			
1954	4,136	1,227	110	1,400	1,598	635	504	1,399 ^a			
1955	4,064	2,163	90	1,234	1,756	1,201	530	577			
1956	4,731	1,916	252	1,712	1,777	1,581	522	851			
1957	5,947	2,176	398	2,164	2,089	2,011	638	1,209			
JAPAN (thousand million yen)											
1951	1,663.8	71.5	— 963.0 —	681.4	— 353.1 —	629.3					
1952	1,678.0	96.0	1,150.4	808.6	437.8	431.6					
1953	1,978.0	126.8	1,433.3	927.5	632.6	417.9					
1954	1,752.1	132.7	1,370.4	894.9	608.2	249.0					
1955	2,111.1	142.3	1,388.2	920.0	610.5	580.6					
1956	2,953.0	179.7	2,050.8	1,548.9	681.6	722.5					
1957	3,194.7	213.5	2,513.5	1,891.7	835.3	467.7					
1958	2,754.0	232.4	2,473.2	1,827.4	878.2	48.4					
KOREA, REPUBLIC OF (thousand million hwan)											
1955	101.8	11.6	31.1	28.7	7.0	19.0	76.0	—	5.5	15.9	4.4
1956	74.3	7.8	25.1	41.5	9.7	27.9	83.6	—	7.3	21.2	— 37.8
1957	223.1	7.4	51.8	68.5	12.6	40.9	107.7	—	22.2	51.3	42.0
PHILIPPINES (pesos)											
1951	559	119	— 230 —	21	121	329	— 162 —	68			
1952	552	104	221	29	132	325	161	66			
1953	659	128	220	60	151	394	165	100			
1954	719	94	207	79	183	396	167	156			
1955	789	115	223	77	209	451	173	165			
1956	872	123	90	223	96	245	554	13	209	95	
1957	1,098	140	112	233	108	298	657	15	217	208	
1958	1,071	123	88	204	100	324	635	16	188	232	

Sources and time reference: see table 5.

a. Excluding adjustment for stock valuation.

b. Increase in stocks of local government enterprises is included under fixed capital formation.

c. Stocks of principal commodities only.

PRODUCTION

9. INDEX NUMBERS OF AGRICULTURAL PRODUCTION

1952/53—1956/57 = 100

	Total world (excl. China, USSR and Eastern Europe)	Far East (excl. China)	Burma	Ceylon	China (Taiwan)	Federation of Malaya	India	Indonesia	Japan	Korea, Republic of	Pakistan	Philip- pine	Thailand
ALL COMMODITIES													
1952/53 . . .	95	93	102	94	96	95	91	93	96	86	99	93	89
1953/54 . . .	99	98	98	95	97	93	101	98	85	105	97	98	106
1954/55 . . .	99	100	97	101	100	99	101	106	94	105	102	99	85
1955/56 . . .	102	103	96	108	101	105	103	102	114	106	98	101	106
1956/57 . . .	105	106	107	102	108	108	105	102	110	98	105	109	115
1957/58 . . .	105	105	92	105	114	108	104	103	115	107	103	111	93
1958/59 . . .	108	108	107	108	117	110	106	105	118	109	100	111	106
FOOD													
1952/53 . . .	94	92	102	97	96	90	90	90	97	86	96	94	90
1953/54 . . .	99	99	98	90	97	89	102	98	85	107	100	99	108
1954/55 . . .	99	100	96	101	100	102	101	106	94	104	103	100	83
1955/56 . . .	102	103	96	113	100	104	103	102	114	106	96	101	104
1956/57 . . .	106	106	107	99	107	115	104	104	110	98	105	107	114
1957/58 . . .	106	105	92	99	113	113	103	104	115	108	102	110	89
1958/59 . . .	109	107	108	101	117	109	105	107	119	110	100	111	104
CEREALS													
1952/53 . . .	97	90	101	100	94	102	86	89	98	92	96	95	91
1953/54 . . .	101	101	96	77	98	94	106	98	84	112	102	98	114
1954/55 . . .	97	99	97	108	102	95	100	110	94	105	104	98	79
1955/56 . . .	101	103	98	122	97	97	103	101	117	102	90	103	101
1956/57 . . .	104	107	108	92	108	112	105	102	105	90	107	105	115
1957/58 . . .	104	102	87	108	112	114	101	101	108	101	101	100	79
1958/59 . . .	112	108	110	120	115	104	107	106	111	106	96	110	100
PER CAPUT FOOD PRODUCTION													
1952/53 . . .	97	95	105	102	103	96	93	92	99	87	99	97	93
1953/54 . . .	100	100	99	92	101	92	103	99	86	107	101	101	110
1954/55 . . .	99	100	96	101	100	102	101	106	94	104	103	100	83
1955/56 . . .	100	102	95	111	96	101	101	100	113	105	95	99	102
1956/57 . . .	103	103	105	94	100	110 ^a	102	100	108	95	102	103	110
1957/58 . . .	101	100	89	92	102	106	99	98	111	104	98	104	84
1958/59 . . .	102	101	104	92	102	99	100	98	114	104	94	103	96
PER CAPUT CEREAL PRODUCTION													
1952/53 . . .	100	93	103	105	102	108	89	91	101	93	99	99	85
1953/54 . . .	102	102	97	79	102	97	107	99	85	112	103	100	116
1954/55 . . .	97	99	97	108	102	95	100	110	94	105	104	98	79
1955/56 . . .	100	102	97	119	94	94	102	99	116	101	89	101	99
1956/57 . . .	101	103	106	88	101	107 ^a	103	98	103	88	105	101	111
1957/58 . . .	99	98	85	101	101	107	97	95	105	97	97	95	75
1958/59 . . .	105	101	106	109	101	94	102	97	107	100	91	102	93

Source: FAO.

General Note: Food crops comprise the following: Cereals, sugar, root crops, pulses, oilseeds, fruits, vegetables, beverage crops, and livestock and dairy products. Cereals including: rice, wheat, maize, millet sorghum, barley, oats, and rye. Commodities other than food including: tobacco, fibres, linseed and rubber.

^a Not comparable to previous series from this year forward because of the use of a new population series.

10. AREA AND PRODUCTION OF SELECTED AGRICULTURAL COMMODITIES

	Area (1,000 hectares)						Production (1,000 tons)					
	1948-52	1955	1956	1957	1958	1959	1948-52	1955	1956	1957	1958	1959
RICE (paddy)												
Afghanistan	...	180	...	...	3	...	333	...	...	3	...	(3)
Brunei	3	2	2	3	3	(3)	6	2	3	3	2	(3)
Burma	3,758	3,968	4,048	3,868	3,998	...	5,481	5,875	6,464	5,231	6,590	...
Cambodia	1,127	1,050	1,250	1,260	1,217	(1,366)	1,372	1,200	1,530	1,410	1,153	(1,076)
Ceylon	439	520	426	461	502	490	570	741	561	658	763	744
China: Mainland	26,787	29,167	33,250	32,100	33,000	...	58,181	78,025	82,480	86,600	...	...
China: Taiwan	762	751	784	783	778	...	1,682	2,009	2,226	2,287	2,356	...
Federation of Malaya	343	348	368	365	357	357	635	678	786	799	714	734
Hong Kong	16	9	9	17	17	...	37	26	28	30	36	...
India	30,092	31,521	32,099	32,151	33,019	29,696	33,383	31,336	43,104	37,926	45,297	...
Indonesia	5,876	6,570	6,702	6,798	6,916	...	9,441	11,257	11,403	11,448	11,784	...
Iran	220	243	280	250	223	...	424	322	440	480	454	...
Japan	2,996	3,128	3,225	3,232	3,243	3,288	11,991	15,481	13,623	14,328	14,991	15,626
Korea, Republic of	1,050	1,089	1,097	1,049	1,108	(1,113)	2,924	3,042	2,506	3,086	3,254	(3,255)
Laos	825	480	550	607	619	...	540	510	550	499	522	...
Nepal	1,295	1,315	1,300	1,295	1,315	...	1,134	1,225	1,043	1,089	1,157	...
North Borneo	33	29	30	31	31	(31)	42	53	56	47	56	(56)
Pakistan	9,003	8,855	9,087	9,262	9,103	9,242	12,399	10,992	13,741	12,895	12,027	...
Philippines	2,318	2,743	2,768	2,872	2,971	3,000	2,767	3,273	3,346	3,203	3,685	3,764
Sarawak	198	...	...	(200)	(200)	...	116	115	115	(115)	(115)	...
Thailand	5,211	5,356	5,762	4,443	5,267	...	6,845	7,334	8,297	5,665	7,123	...
Viet-Nam, Republic of	1,814	2,139	2,540	2,719	2,432	3,100	2,469	2,631	3,412	3,192	4,594	4,500
WHEAT												
Afghanistan	...	...	...	...	...	...	1,700	...	...	...	...	...
China: Mainland	23,234	26,739	27,600	27,570	26,730	...	15,915	22,965	24,800	23,650	...	...
China: Taiwan	14	13	16	20	23	23	13	19	27	36	40	42
India	9,290	11,259	12,367	13,589	11,857	12,531	6,087	9,043	8,760	9,463	7,865	9,850
Iran	2,080	...	2,900	...	...	...	1,860	2,313	2,700	2,800	2,700	3,103
Japan	743	661	657	615	595	601	1,375	1,468	1,375	1,330	1,261	1,418
Korea, Democratic Republic of	162	...	...	...	...	...	104	...	...	...	...	...
Korea, Republic of	95	121	123	144	127	(125)	92	122	133	133	99	161
Pakistan	4,218	4,303	4,559	4,743	4,609	4,921	3,685	3,213	3,392	3,664	3,601	3,927
BARLEY												
India	3,128	3,414	3,418	3,531	3,055	3,304	2,384	2,980	2,815	2,872	2,274	2,692
Iran	757	...	1,000	...	...	...	767	880	1,000	980	950	1,000
Japan	982	992	978	928	910	893	2,020	2,408	2,340	2,160	2,076	2,308
Korea, Democratic Republic of	155	...	...	...	...	...	155	...	...	...	...	...
Korea, Republic of	624	753	790	815	775	(780)	594	795	837	720	714	(1,053)
Pakistan	223	217	218	213	252	219	150	124	146	131	171	146
MAIZE												
Cambodia	48	140	130	100	59	46	73	160	140	100	69	53
China: Taiwan	5	8	8	8	9	...	7	9	11	9	12	...
India	3,349	3,696	3,722	3,974	4,174	4,012	2,165	2,602	3,057	3,085	3,038	3,201
Indonesia	2,020	2,042	2,232	2,087	2,737	...	1,536	2,071	1,965	1,860	2,618	...
Japan	40	50	49	48	49	50	57	100	83	97	111	107
Pakistan	393	433	434	433	461	455	384	460	456	449	473	483
Philippines	969	1,675	1,787	1,716	1,381	1,336	696	907	895	856	852	1,016
Thailand	34	55	82	96	123	...	31	67	115	137	180	...
SUGARCANE												
Burma	15	23	28	36	...	...	1,076	1,118	1,250	...	...	...
China: Mainland	183	204	...	...	...	...	7,115	8,110	8,655	10,210	13,175	...
China: Taiwan	87	92	96	...	...	...	5,776	6,343	7,083	7,262	...	...
India	1,672	1,847	2,046	2,057	(1,957)	1,991	53,865	60,543	68,073	69,111	(72,053)	...
Indonesia	67	98	94	90	...	...	5,621 ^b	...	6,796 ^c	7,247 ^c	7,273 ^c	...
Japan	4	2	7	7	7	(8)	95	62	235	224	(228)	...
Pakistan	304	392	419	507	524	506	10,116	12,235	12,691	15,117	15,665	(13,811)
Philippines	170	271	235	230	(234)	...	7,700	13,044	9,537 ^b	...	...	...
Thailand	58	103	121	128	132	...	990	2,699 ^d	3,830 ^d	4,147 ^d	(4,309)	...
Viet-Nam, Republic of	...	20	18	31	(25)	(27)	...	518 ^d	484 ^d	870 ^d	(761)	(800)
POTATOES												
China: Taiwan	...	1	1	...	...	...	...	3	3	3	3	...
India	237	280	286	318	256	...	1,647	1,859	1,725	2,013	(2,356)	...
Japan	209	210	208	209	205	194 ^e	2,451	2,908	2,749	3,372	3,396	3,179 ^e
Korea, Republic of	42	48	48	57	49	(47)	227	355	272	349	317	(288)
Pakistan	50	36	40	44	44	...	380	200	262	261	276	...
MILLET & SORGHUM												
Burma (millet)	198	176	182	158	153	...	56	50	37	39	32	...
Ceylon	39	48	42	35	...	...	17	22	14	14	14	...
China: Taiwan	9	9	10	10	10	...	6	7	8	9	8	...
India	32,499	36,343	34,929	35,215	35,527	...	12,045	14,069	14,034	15,347	16,511	...
Japan	117	85	78	71	68	(60)	133	117	100	95	104	(88)
Korea, Republic of	176	167	165	160	166	(165)	92	102	90	88	76	(99)
Pakistan	1,423	1,429	1,476	1,132	1,246	(1,227)	581	599	628	462	526	...
SWEET POTATOES & YAMS												
Cambodia	1	...	...	...	...	...	25	...	...	...	...	...
Ceylon	15	17	12	12	12	...	36	55	47	27	27	...
China: Taiwan	232	246	230	229	228	227	2,100	2,437	2,568	2,693	2,958	2,839
Federation of Malaya	19	...	...	(9)	(10)	...	198	...	...	...	...	...
Hong Kong	4	...	...	...	...	...	17	...	...	...	...	...
India	150	196	156	152	...	...	901	1,621	1,110	1,146	...	...
Indonesia	265	279	384	404	429	433	1,750	1,898	2,638	2,653	2,813	2,900
Japan	402	376	386	364	359	366	6,075	7,180	7,073	6,227	6,370	6,717
Korea, Republic of	42	43	46	46	48	(53)	271	416	364	351	397	(403)
Philippines	113	182	189	190	(201)	...	465	808	828	812	(989)	...

PRODUCTION

10. AREA AND PRODUCTION OF SELECTED AGRICULTURAL COMMODITIES (Cont'd.)

	Area (1,000 hectares)						Production (1,000 tons)					
	1948-52	1955	1956	1957	1958	1959	1948-52	1955	1956	1957	1958	1959
SOYBEANS												
China: Mainland	8,994	11,442	12,100	12,500	9,330	10,117	7,922	9,121	10,234	10,000	10,400	9,526
Taiwan	22	36	38	41	48	55	13	24	26	33	42	51
Indonesia	381	515	502	525	605	668	270	346	357	339	422	475
Japan	348	385	383	364	347	(339)	376	507	455	459	391	(400)
Korea, Republic of	244	269	270	277	269	(271)	138	149	153	153	153	(170)
Thailand	17	21	24	25	20	...	14	20	22	27	22	...
GROUND-NUTS (in shell)												
Burma	277	323	329	349	397	455	154	208	198	235	289	320
China: Mainland	1,528	2,268	2,590	2,355	2,405	...	2,057	2,926	2,722	2,571	2,800	2,260
Taiwan	80	96	98	104	104	109	57	67	82	94	96	100
India	4,379	5,133	5,443	6,020	5,860	5,433	3,196	3,862	4,267	4,507	4,893	4,717
Indonesia	285	298	317	341	331	...	280	339	364	387	382	382
Japan	16	26	32	40	44	43	21	47	50	72	83	...
Philippines	27	29	29	31	20	...	19	18	18	19	16	...
Thailand	63	78	81	95	96	96	60	94	101	118	121	100
Viet-Nam, Republic of	5	20	17	28	29	(29)	3	20	13	22	23	...
COTTON SEED												
Afghanistan	21	68	79	69	69	...	14	25	33	22	22	...
Burma	108	162	143	120	117	...	28	35	33	24	27	...
China: Mainland	4,403	5,771	6,250	5,745	6,000	6,946	1,730	3,030	2,890	3,280	4,200	4,400
Taiwan	1	3	5	5	5	...	1	4	2	8	9	...
India	5,659	8,086	8,050	8,092	8,023	...	968	1,422	1,684	1,686	1,673	...
Iran	133	230	243	243	260	...	53	120	125	130	143	...
Korea, Republic of	129	112	115	77	56	(61)	42	38	32	17	15	...
Pakistan	1,245	1,428	1,460	1,473	1,337	1,337	489	602	613	612	551	...
Thailand	34	32	39	41	40	...	14	17	21	24	23	...
COPRA												
Ceylon	...	...	...	...	...	...	234	293	263	...	...	...
Federation of Malaya	...	...	...	...	...	...	141	146	156	132	112	...
India	...	...	...	...	...	...	202	237	233	...	...	...
Indonesia	...	...	...	...	...	...	714	751	752	727	620	...
North Borneo	...	...	...	...	...	...	20	26	30	28	(30)	...
Philippines	...	...	...	...	...	...	875	1,095	1,318	1,329	1,072	...
Sarawak	...	...	...	...	...	...	3	...	...	...	...	...
Thailand	...	...	...	...	...	...	16	...	...	...	...	...
Viet-Nam, Republic of	...	...	...	...	...	...	16	20	18	26	...	...
TOBACCO												
Burma	48	54	56	58	58	...	45	39	49	49	49	...
China: Mainland	186	...	...	...	...	...	220	299	399	390	...	...
Taiwan	7	6	8	10	9	...	10	13	17	21	18	...
India ^a	331	346	410	416	375	355	247	255	303	299	256	...
Indonesia ^b Estates	13	11	12	11	11	...	7	7	7	9	...	...
Farms	123	122	166	181	156	...	56	43	54	68	...	...
Japan	52	75	76	73	68	(62)	90	150	153	145	138	...
Korea, Republic of	17	20	20	21	22	22	21	26	26	26	28	...
Pakistan ^b	71	99	77	73	78	81	70	128	89	87	91	...
Philippines	37	75	81	79	85	92	22	38	51	48	50	...
Thailand	33	56	56	61	60	...	27	56	58	66	66	...
Viet-Nam, Republic of	...	14	8	9	(8)	(8)	...	7	7	7	(7)	...
TEA												
Ceylon	...	...	...	...	...	...	140	172	170	180	187	...
China: Mainland	...	...	...	...	...	...	63	108	120	114	142	...
Taiwan ¹	35	43	43	44	45	48	9	14	12	14	15	...
India	...	...	...	...	...	...	280	308	309	311	325	...
Indonesia ¹	142	145	137	135	...	...	60	60	62	66	70	...
Japan	...	...	...	...	...	...	40	73	71	72	75	...
Pakistan	...	...	...	...	...	...	20	23	24	20	24	...
Viet-Nam, Republic of	...	...	...	...	...	...	4	3	4	4	(3)	...
COTTON (lint)												
Afghanistan	21	68	79	69	69	...	7	12	16	11	11	...
Burma	108	162	143	120	117	...	15	18	17	13	14	...
China: Mainland	4,403	5,771	6,250	5,745	6,000	...	868	1,518	1,445	1,640	2,100	2,300
India	5,658	8,086	8,050	8,092	8,023	...	485	711	842	843	837	...
Iran	133	230	243	240	253	...	26	60	62	65	72	...
Korea, Republic of	129	112	115	77	71	(61)	22	21	17	9	8	...
Pakistan	1,245	1,428	1,460	1,473	1,350	...	245	309	307	306	275	...
Thailand	34	32	39	41	(40)	...	7	8	11	12	12	...
JUTE												
India	581	704	772	705	739	691	642	762	778	735	940	...
Pakistan	715	661	(498)	632	618	556	1,015	1,015	1,000	1,034	1,089	...
HEMP FIBRE												
India ^a	283	244	247	276	213	300	...	...	...	63	73	...
Philippines (Abaca) ^m	285	217	232	220	180	...	105	118	137	130	105	...

Source: FAO, except those in brackets which are from national sources.
General Note: (1) Area relates generally to area harvested except those with the symbol Δ which relate to planted area.

(2) Averages for 1948-52 do not in all cases cover the precise periods indicated. (3) For further details see the notes in the Yearbook of Food and Agricultural Statistics 1958.

a. Excluding Putuo, chin Hills, Shan States and Karenni.

b. For centrifugal sugar only.

c. Quantities crushed for sugar, during the calendar years shown.

d. Production refers to total sugarcane cut.

e. Spring crops only.

f. Dried in shell.

g. Production of 12 months ending 30 June of year stated.

h. Calendar year.

i. Mature area or area of plucking.

j. Data refer to total planted area on farms and estates and total production.

k. Sun hemp, area is for fibre, green manure and fodder.

m. Area refers to crop year beginning in the year stated. Production refers to calendar year and represents bales, plus an allowance of 10 per cent for unbaled fibre.

11. INDEX NUMBERS OF INDUSTRIAL PRODUCTION

1953=100^a

PRODUCTION

	Weight	1954	1955	1956	1957	1958	1958		1 9 5 9				
							III	IV	I	II	III	Oct	Nov
CEYLON													
Industrial production	100.0	100	112	110	109	105							
Food, drink and tobacco	19.7	106	107	107	121	117							
Clothing and wearing apparel	1.8	147	212	263	387	501							
Fuel and power	4.5	109	120	129	141	151							
Housing and household goods	12.3	129	131	136	169	152							
Industries related to agriculture	19.2	90	113	102	78	74							
Raw materials	2.1	96	96	154	131	60							
Lumber industries	10.4	89	82	78	84	84							
CHINA (mainland) ^b													
Industrial production	...	117	126	165	183	...							
Producers' goods	...	120	140	199	234	...							
Consumer goods	...	114	116	141	147	...							
CHINA (Taiwan)													
Industrial production ^c	100.0	107	119	125	142	149	152	179	172	183	183	205	199
Mining and quarrying	10.5	100	114	120	134	144	129	155	144	171	133	168	162
Coal	7.4	88	99	106	122	133	128	143	133	162	137	160	152
Manufacturing ^c	76.6	107	120	125	143	148	155	183	180	187	194	215	210
Food ^d	19.0	85	101	104	126	121	159	180	192	108	187	190	185
Textiles	17.8	116	122	115	128	119	108	141	131	149	147	164	164
Chemicals	9.5	109	120	134	158	164	153	198	190	211	207	251	209
Construction of buildings	1.1	106	145	104	118	177	174	178	129	119	117	88	83
Public utilities	11.9	115	123	135	149	162	161	179	164	178	187	203	196
Electricity	7.6	115	126	144	163	184	181	210	183	201	211	230	221
INDIA ^e													
Industrial production	100.0	107	116	126	130	132	128	128	138	136	143	139	...
Mining	7.2	103	107	110	122	128	120	126	137	139	130	128	...
Manufacturing	90.7	107	116	126	130	131	127	124	137	133	142	137	...
Food	11.8	96	115	124	134	...	...	...	...	...	...	...	...
Textiles	48.0	103	106	112	109	105	104	100	101	105	107	109	...
Rubber products	3.4	117	129	139	152	167	167	160	172	189	195	149	204
Chemicals	4.2	108	122	132	140	159	159	160	162	176	177	179	...
Non-metallic mineral products ^e	3.3	115	124	141	160	180	175	173	188	204	200	191	...
Basic metal industries	8.0	121	119	124	126	127	129	131	143	161	183	179	...
Non-electrical machinery	0.6	153	205	269	371	458	452	468	497	569	520	472	...
Electrical machinery	1.5	112	138	184	216	240	241	245	241	263	262	225	...
Transport equipment	2.9	113	171	236	246	229	240	212	238	250	319	285	...
Electricity	2.1	112	128	145	163	185	188	185	195	224	225	229	...
Industrial production (seasonally adjusted)	.	.	.	.	.	.	129	131	137	136	144	146	...
INDONESIA													
Mining	.	105	111	117	137	140							
JAPAN													
Industrial production	100	108	117	144	167	168	166	176	188	201	212	221	224
Manufacturing and mining	92.8	108	117	143	169	169	167	177	190	203	214	224	227
Mining	7.2	96	97	107	118	114	114	120	109	112	113	120	113
Manufacturing	85.6	110	119	147	174	175	172	183	199	213	224	234	239
Food	11.5	108	115	122	128	135	119	110	200	124	123	110	115
Textiles	15.0	109	121	144	159	143	142	149	150	162	173	175	186
Chemicals	10.7	114	132	159	187	194	196	200	198	234	230	234	237
Ferrous metal	8.9	105	117	143	162	153	152	160	166	198	210	226	223
Machinery	17.0	113	114	166	230	247	246	274	284	339	370	397	404
Public utilities	7.2	106	114	131	146	155	153	165	166	174	179	186	183
KOREA, Republic of (1954=100)													
Industrial production	100.0	100	119	143	187	195	212	195	174	211	218	231	217
Mining	10.0	100	115	145	194	212	198	212	230	255	266	307	286
Manufacturing	87.0	100	120	143	188	194	216	194	167	207	214	223	217
Textiles	48.0	100	119	142	188	198	206	198	190	209	212	239	218
Metal products and machinery	13.0	100	128	179	235	208	245	208	174	193	179	195	213
Electricity	3.0	100	98	124	148	169	160	169	184	184	179	196	202
PAKISTAN													
Industrial production	...	128	161	182	192	215	213	227	238	227	...	...	...
Mining	...	101	107	125	130	145	142	153	144	123	...	...	...
Manufacturing	...	131	167	189	200	222	234	222	250	236	...	...	...
PHILIPPINES													
Mining	.	94	102	113	126	125	115	136	137	142	...	...	...
Manufacturing	.	113	127	147	158	170	174	170	176	198	...	...	...

a. Original base: Ceylon, 1952; China (Taiwan), 1954; India, 1951; Indonesia, 1938; Japan, 1955; Republic of Korea, 1955; Pakistan, 1950; Philippines, 1952 for 1954, 1955 for succeeding years.

b. Value index of gross industrial production at 1952 prices.

c. Sugar production is excluded from the monthly and quarterly index but included in the annual index. Weights relate to annual index.

d. Quarterly figures relate to the mid-month of each quarter.

e. Manufactures of non-metallic mineral products except products of petroleum and coal.

PRODUCTION

12. PRODUCTION OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

	1953	1954	1955	1956	1957	1958	1958		1 9 5 8				
							III	IV	I	II	III	Oct	
NATURAL RUBBER ^a													
Cambodia	1.9	2.0	2.3	2.7	2.6	2.8	3.1	4.1	1.7	2.5	3.2	3.6	4.4
Ceylon	8.3	8.0	7.9	8.1	8.3	8.5	8.5	9.4	6.1	6.0	8.2	9.8	10.1
Fed. of Malaya & Singapore	48.6	49.5	54.1	53.1	54.1	56.2	59.8	61.7	55.4	55.0	62.9	62.4	60.1
India	1.8	1.8	1.9	2.0	2.0	2.1	2.0	2.8	1.5	1.5	2.1	2.5	3.0
Indonesia	58.6	62.5	62.1	58.1	58.0	52.0	63.1	65.7	50.0	66.0	58.1	72.1	63.1
Sarawak	2.0	2.0	3.3	3.4	3.5	3.3	3.8	3.7	2.7	3.4	4.6	4.9	4.3
Thailand	8.1	9.9	11.0	11.3	11.3	11.6	12.1	10.1	17.8	10.2	15.7	15.6	9.3
Viet-Nam, Republic of	4.2	4.6	5.5	5.9	5.8	6.0	6.4	8.6	3.4	6.1	6.8	7.5	14.4
COAL													
Afghanistan	1.4	1.3	1.8	2.2	1.6	...	...	...	...	...	...	...	...
China (mainland) ^b	5,548	6,661	7,800	8,827	10,833	22,500	...	...	...	...	...	...	...
China (Taiwan)	199	177	197	211	243	265	254	285	265	323	274	318	303
Federation of Malaya ^c	24	19	17	15	13	6	4	5	7	5	6	8	9
India	3,046	3,123	3,237	3,339	3,684	3,839	3,772	3,923	4,060	4,001	3,910	3,666	3,046
Indonesia	75	75	68	69	60	51	52	55	52	44	56	...	...
Iran	13	21	15	27	27	...	...	...	...	...	...	...	...
Japan	3,878	3,560	3,535	3,880	4,311	4,139	4,128	4,345	3,888	3,904	3,920	4,160	3,810
Korea, Republic of	72	74	109	151	203	223	201	260	277	313	352	409	409
Pakistan ^d	49	47	45	55	44	51	37	62	54	37	...	...	...
Philippines	13	10	11	13	17	9	8	7	6	...	...	...	...
Viet-Nam, Republic of	—	—	—	—	1.0	1.7	1.6	1.3	1.4	1.8	...	...	...
IRON ORE ^e													
Federation of Malaya	90	103	124	207	252	237	342	222	213	350	395	391	280
Hong Kong	10	8	10	10	8	9	8	10	10	10	10	10	11
India	309	333	361	359	391	483	450	533	640	616	618	719	634
Japan ^f	128	136	126	159	187	167	178	182	160	203	231	237	181
Korea, Republic of	2	3	2	5	15	22	21	20	26	24	25	20	19
Pakistan	...	0.1	—	0.6	2.0	0.7	—	0.8	0.5	0.2	...	...	...
Philippines	101	119	119	120	112	92	93	98	115	103	109	...	...
TIN CONCENTRATES (tons)													
Burma	80	80	94	67	59	102	102	102	102	102	102	102	102
China (mainland)	525	625	1,016	1,186	1,354	1,524	1,524	1,524	1,524	1,254	1,254	1,254	1,254
Federation of Malaya	4,763	5,139	5,186	5,274	5,020	3,256	2,900	2,812	2,855	2,964	3,149	3,534	3,701
Indonesia	2,858	3,036	2,825	2,545	2,347	1,968	2,281	1,796	1,554	1,920	1,727	1,924	2,088
Japan	62	61	76	78	80	92	94	96	90	88	74	91	91
Laos	...	9	21	20	47	41	41	41	41	41	41	41	41
Thailand	885	828	933	1,057	1,145	654	640	642	641	849	815	866	866
PETROLEUM, CRUDE ^g													
Brunei	407	399	438	470	450	434	438	455	450	454	458	...	...
Burma	12	15	18	19	33	39	42	42	39	45	46	45	...
China (mainland)	52	66	81	97	122	188	...	...	...	...	...	...	...
Indonesia	852	898	982	1,061	1,289	1,342	1,412	1,359	1,351	1,537	1,560	...	...
Iran	124	292	1,422	2,207	2,927	3,333	3,514	3,330	3,538	3,767	3,735	3,774	3,980
Japan	25	25	29	29	27	31	31	31	31	32	34	38	38
Pakistan	20	22	23	24	25	25	26	26	25	25	26	...	...
Sarawak	4	6	6	6	6	5	5	5	5	5	...	...	...
SALT													
Afghanistan	1.4	2.2	1.8	1.9	...	...	...	...	...	...	...	...	...
Burma	5.2	7.7	8.4	7.2	9.7	9.2	9.5	8.9	...	...	...	...	...
China (Taiwan)	13.5	30.7	35.1	25.4	32.3	36.6	12.2	46.9	46.3	52.7	3.4	39.0	43.1
India	268.5	229.9	252.2	276.5	307.0	350.1	148.8	103.9	174.1	582.5	244.4	92.2	...
Indonesia	22.3	10.9	3.8	9.1	28.9	19.6	10.4	67.8	...	...	...	...	...
Japan ^h	38.4	35.4	46.1	52.3	69.3	98.2	111.5	90.1	75.8	100.1	118.4	116.9	65.1
Korea, Republic of	16.1	15.0	29.5	16.4	32.0	36.4	61.6	21.0	...	27.2	68.1	51.9	20.1
Pakistan	26.7	33.6	33.8	32.8	38.3	29.6	20.6	23.8	20.8	...	...	...	...
Philippines	4.0	4.0	6.7	5.3	8.6	11.6	...	...	...	...	...	...	...
Thailand	29.5	18.5	19.7	20.6	21.9	29.2	...	...	...	...	...	...	...
Viet-Nam, Republic of	...	...	6.4	5.0	6.6	5.1	1.3	1.8	...	...	...	...	...
SUGAR ⁱ													
China (mainland) ^b	24.8	28.9	34.2	43.2	72.0	75.0	...	...	...	...	...	...	...
China (Taiwan)	76.7	53.5	66.9	64.6	76.5	72.2	...	84.9	196.2	31.5	...	...	34.3
India	109.3	85.3	135.0	157.2	170.0	169.9	7.5	156.8	414.0	70.0	8.1	20.3	...
Indonesia	51.6	59.8	71.4	65.5	69.0	64.5	160.2	15.7	...	91.3	171.2	44.5	14.1
Iran	6.5	7.0	6.9	6.9	6.8	9.2	...	...	...	...	...	...	...
Pakistan	7.3	6.4	8.0	7.4	9.4	13.8	0.1	13.2	31.8	12.1	...	...	...
Philippines	85.7	108.4	103.7	97.0	85.8	100.6	...	...	230.1	95.2	22.9	104.1	186.3
Thailand	3.0	3.7	4.5	5.4	5.7	5.8	...	...	...	...	...	...	...
TEA													
Ceylon	13.0	13.9	14.4	14.2	15.0	15.6	12.1	15.3	15.1	19.3	12.1	14.0	17.8
China (mainland)	7.1	7.7	9.0	10.0	9.3	11.8	...	...	...	...	...	...	...
China (Taiwan)	1.4	1.6	1.1	1.1	1.3	1.1	1.6	1.0	1.0	1.9	1.0	2.1	3.3
India	23.0	24.4	25.3	25.2	25.4	27.0	45.9	31.8	4.4	24.1	47.9	47.9	32.3
Indonesia	3.1	3.9	3.6	3.5	3.9	3.9	3.6	4.3	3.7	3.4	3.2	3.7	4.3
Pakistan	2.1	2.1	2.0	2.1	1.8	2.2	3.9	2.9	0.2	2.3	3.9	...	...

12. PRODUCTION OF SELECTED COMMODITIES (Cont'd)

PRODUCTION

Monthly averages or calendar months

Thousand tons

	1953	1954	1955	1956	1957	1958	1958		1 9 5 9				
							III	IV	I	II	III	Oct	Nov
COTTON YARN													
Afghanistan	0.05	0.01	0.02	0.04	0.05	...	...	...	...	...	...	...	...
Burma	0.11	0.15	0.12	0.12	0.14	0.13	0.13	0.14	0.25	0.24	0.32	0.39	...
China (mainland)	62.0	69.5	60.0	79.3	70.3	92.2	...	...	...	...	...	...	...
China (Taiwan)	1.6	1.9	2.1	2.0	2.3	2.3	2.3	2.6	2.3	2.6	2.7	2.8	2.8
Hong Kong	2.7	3.3	3.5	3.8	4.0	4.4	4.4	4.6	4.3	5.2	5.3	...	...
India	56.9	59.0	61.8	63.2	67.3	63.7	64.9	66.2	64.9	62.8	65.1	67.2	67.1
Japan	34.5	38.7	34.9	41.1	43.1	36.6	36.5	37.1	36.3	39.1	39.6	41.3	44.9
Korea, Republic of	1.1	1.7	2.2	2.6	3.4	3.7	3.6	4.2	3.9	4.1	4.0	4.0	4.1
Pakistan	4.5	7.3	10.4	11.4	12.0	13.0	13.4	14.4	24.4	13.8	15.0	...	...
Philippines	0.07	0.06	0.05	0.07	0.07	0.06	0.07	0.06	0.08	0.08	0.09	0.16	...
COTTON FABRICS (Mn metres)													
Afghanistan	1.2	1.4	1.5	1.3	1.6	...	...	...	...	...	...	...	...
Ceylon (Mn sq. metres)	0.6	0.4	0.4	0.6	0.4	0.5	0.7	0.4	0.6	0.5	0.6	...	...
China (mainland)	416.8	461.8	375.8	488.5	420.8	475.0	...	...	...	...	...	...	...
China (Taiwan)	10.9	13.8	13.6	11.6	13.0	12.2	11.4	13.6	11.9	13.9	12.9	13.4	13.2
India	372	381	388	404	405	375	378	377	374	370	378	379	...
Indonesia	3.6	3.8	4.2	4.4	4.7	4.6	5.0	4.8	4.4	...	...	...	...
Japan (Mn sq. metres)	196	222	210	242	268	218	203	213	219	231	228	222	245
Korea, Republic of (Mn sq. metres)	6.0	8.0	8.4	10.2	13.8	10.4	10.7	11.3	10.7	11.7	11.0	11.0	10.7
Pakistan	19.2	26.5	34.5	38.1	40.0	44.4	44.2	44.2	28.7	45.1	45.0	...	...
Philippines	0.9	1.1	0.9	1.4	1.2	0.9	0.9	0.9	0.9	0.9	0.8	0.7	...
Thailand . . . . .	...	...	3.1	4.4	4.1	...	...	...	...	...	...	...	...
Wool MANUFACTURES													
China (Taiwan) . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...
(Gunny bag, Mn pieces)	0.70	0.75	0.90	1.05	1.01	0.73	0.41	1.11	1.38	1.32	1.19	1.71	1.65
India	73.6	78.6	87.0	92.5	87.2	89.9	88.8	89.8	87.7	86.0	90.6	89.3	...
Pakistan	4.2†	4.5	7.5	12.1	12.6	14.5	14.1	17.6	15.8	18.3	20.0	...	...
Thailand (Gunny bag, Mn pieces)	0.05	0.05	0.24	0.30	0.31	0.29	0.29	0.29	...	...	...	...	...
PAPER													
China (Taiwan)	2.0	2.5	2.8	3.6	5.0	6.0	6.0	6.8	6.8	7.0	7.0	7.8	7.6
India	8.1	8.7	10.1	10.4	10.7	13.1	13.1	13.7	13.6	12.7	16.2	...	...
Japan	146.8	160.1	183.6	214.0	246.8	249.1	241.2	264.7	288.9	310.6	327.0	345.8	345.1
Korea, Republic of	0.8	1.5	1.7	2.0	1.8	2.3	2.2	2.8	2.6	3.2	3.3	3.7	4.0
Pakistan . . . . .	...	...	1.1	1.4	1.7	1.5	1.8	1.4	1.8	1.7	1.8	...	...
Thailand	0.08	0.17	0.17	0.25	0.23	0.23	0.23	0.23	0.22	0.22	0.22	0.22	0.22
VEGETABLE OILS													
China (Taiwan): Edible oil	0.8	0.7	0.8	0.9	1.0	1.1	1.1	1.2	1.1	0.7	1.4	1.7	1.1
Federation of Malaya: Coconut oil	6.7	8.2	8.0	9.2	8.2	6.7	7.5	4.1	4.0	6.2	6.6	5.7	5.8
Palm oil	4.2	4.6	4.8	4.7	5.0	6.0	7.2	5.6	5.6	5.5	7.0	6.0	6.2
India: Edible oil (Vanaspatti)	16.2	19.5	22.1	21.6	25.5	25.0	23.4	22.6	28.6	28.3	24.7	25.0	21.8
Indonesia: Palm oil	13.4	14.1	13.8	13.7	13.4	12.3	14.3	11.3	9.4	11.1	13.4	12.0	12.0
Japan: Coconut oil	1.2	1.6	2.3	2.0	2.4	2.2	2.3	2.3	2.4	3.3	2.2	3.7	...
Others	8.8	9.0	13.0	15.1	16.3	19.9	21.3	23.4	19.3	19.1	24.5	19.9	...
Pakistan: Vegetable oil	0.9	0.9	1.2	1.4	1.5	1.7	1.7	1.3	2.3	2.2	...	...	...
Philippines: Coconut oil	11.8	12.2	13.3	17.7	27.8	19.1	...	...	...	...	...	...	...
Singapore: Coconut oil	1.4	3.2	2.8	3.4	4.1	2.6	3.2	2.3	1.4	1.3	1.9	2.4	2.4
SUPERPHOSPHATES*													
China (Taiwan)	5.8	6.5	6.7	8.4	8.6	8.7	8.4	10.1	9.8	9.6	10.1	10.0	10.1
India	4.1	8.9	6.3	6.9	12.0	14.0	16.7	13.2	16.2	16.4	26.7	22.4	...
Japan	118.9	143.5	149.6	171.5	155.3	146.5	143.8	142.4	164.5	164.4	132.8	156.2	142.6
AMMONIUM SULPHATE													
China (Taiwan)	0.5	0.4	0.4	0.6	1.3	1.5	1.5	1.5	1.9	1.9	1.7	2.0	1.8
India	27.0	28.9	33.3	32.9	32.1	32.5	30.7	34.7	37.5	29.4	32.9	33.5	...
Japan	161.3	172.9	177.4	193.6	206.7	217.5	227.9	223.2	225.0	239.6	218.7	193.1	195.2
PETROLEUM PRODUCTS**													
Burma	8.3	10.2	10.7	11.4	17.6	24.4	24.5	25.3	...	...	...	...	...
China (Taiwan, thousand Kilolitres)	27.0	37.0	51.0	52.8	55.8	56.7	53.8	62.1	63.2	76.9	66.8	65.1	63.0
Indonesia	808.2	825.8	863.9	859.0	911.1	847.8	852.8	888.3	912.2	919.8	...	...	...
Iran . . . . .	...	234.2	606.2	919.2	1,285.3	1,257.5	1,283.0	1,191.0	1,229.0	1,290.0	...	...	...
Japan (thousand Kilolitres)	505.6	616.7	717.8	984.1	1,212.6	1,346.5	1,412.7	1,514.2	1,544.5	1,719.7	1,802.8	2,110.1	...
Pakistan	5.4	6.2	6.3	7.0	7.2	7.4	7.9	7.2	8.1	7.1	7.7	...	...

PRODUCTION

12. PRODUCTION OF SELECTED COMMODITIES (Cont'd)

Monthly averages or calendar months

Thousand tons

	1953	1954	1955	1956	1957	1958	1958		1 9 5 9					
							III	IV	I	II	III	Oct	Nov	
CEMENT														
Burma	3.5	4.9	5.0	3.2	3.1	3.0	3.5	3.8	3.1	3.4	2.5	1.7	4.1	
Ceylon	5.5	7.0	7.1	7.1	4.1	6.7	6.7	8.0	5.5	6.8	7.2	...	...
China (mainland)	323.1	383.3	375.3	532.8	571.7	775.0	...	...	...	...	...	...	...
China (Taiwan)	43.3	44.7	49.2	49.2	50.3	84.6	89.4	92.4	87.5	92.9	88.3	91.9	90.2	
Federation of Malaya	6.4 ^t	7.2	9.1	8.7	9.5	9.2	8.8	9.3	11.0	14.6	17.6	20.4	11.1	
Hong Kong	5.3	8.4	9.7	10.1	8.7	12.7	9.6	15.5	13.8	13.7	7.9	10.0	11.1	
India	320.0	372.0	379.9	417.2	474.3	513.6	487.0	470.7	537.0	598.6	552.2	583.0	612.1	
Iran	5.4	5.2	11.0	18.7	11.6	12.2	13.9	12.7	...	...	...	...	...
Japan	730.7	889.6	879.7	1,085.3	1,264.7	1,249.0	1,257.0	1,367.0	1,214.0	1,428.0	1,441.0	1,659.0	1,604.0	
Korea, Republic of	3.5	5.1	4.7	3.8	7.7	24.6	25.6	28.4	22.0	27.9	34.2	36.2	23.2	
Pakistan	50.5	57.0	57.8	65.5	91.3	90.9	91.1	94.2	86.7	90.7	73.8	83.3	81.2	
Philippines	26.5	26.7	34.1	37.0	37.2	46.2	47.7	53.2	53.2	69.2	...	...	...
Thailand	24.0	31.9	32.2	33.1	33.5	38.0	34.6	37.3	38.9	42.9	39.9	35.4	41.1	
BUILDING BRICKS ^a (million units)														
China (Taiwan)	28.83	31.33	30.67	33.42	39.00	43.92	34.47	50.76	46.84	44.01	35.30	55.4	64.1	
Federation of Malaya	6.51	6.92	9.05	10.76	11.90	11.00	10.91	11.00	10.10	9.11	9.78	8.96	8.8	
Japan	18.33	20.00	19.00	21.25	23.00	19.00	23.00	20.00	12.00	20.00	23.00	22.30	12.3	
Korea, Republic of	1.23	2.27	2.08	7.08	12.45	13.81	17.01	11.38	2.28	14.91	14.93	14.18	14.2	
Philippines	0.02	0.07	0.03	0.03	...	...	...	...	...	...	...	...	...
STEEL (ingots and metal for castings)														
China (mainland)	147.8	185.4	237.8	372.1	445.8	666.7	...	...	...	...	...	...	...
China (Taiwan)	2.5	4.1	4.8	6.0	7.4	8.9	8.3	11.1	11.1	12.0	12.4	16.2	11.1	
India	127.6	142.7	144.3	147.1	145.2	153.5	163.3	160.0	184.6	195.4	207.0	217.0	12.3	
Japan	638.5	645.0	784.0	925.5	1,047.5	1,009.8	1,013.5	1,072.5	1,175.4	1,325.0	1,453.6	1,575.0	1,581.0	
Pakistan	0.9	0.8	0.9	0.9	1.4	0.8	0.7	0.6	0.7	0.7	...	...	...
TIN METAL (tons)														
Federation of Malaya	5,284	6,025	5,980	6,203	6,036	3,838	3,418	3,204	3,522	3,325	4,163	4,892	5,410	
ELECTRICITY (million kWh)														
Cambodia	2	2	2	3	3	4	4	4	4	4	4	4	4	
Ceylon	12	14	15	16	17	18	19	19	19	21	21	...	...
China (mainland)	766	917	1,023	1,383	1,608	2,292	...	...	...	...	...	...	...
China (Taiwan)	130	150	164	187	213	237	236	263	239	262	276	301	280	
Federation of Malaya ^b	64	73	79	84	89	74	70	71	70	74	78	83	...	
Hong Kong	36	41	47	54	62	68	72	69	69	76	87	86	82	
India	558	627	716	803	906	1,031	1,051	1,079	1,134	1,208	1,243	1,267	1,235	
Japan	4,642	4,967	5,433	6,011	6,476	6,656	6,932	6,265	7,295	7,866	8,096	8,390	6,537	
Korea, Republic of	61	75	73	93	110	126	119	140	134	138	134	146	151	
Pakistan	34	41	51	64	78	...	...	...	...	...	...	...	...
Philippines (Manila)	52	58	65	77	93	107	110	111	112	126	131	136	...	
Singapore	23	27	31	36	41	47	49	47	49	51	52	54	...	
Thailand (Bangkok) ^c	8	13	16	18	22	23	24	24	24	26	27	29	...	
Viet-Nam ^d	24	15	17	18	18	20	20	21	21	22	22	23	...	

a. Including latex.

b. Beginning 1957, including handicraft production

c. Lignite. d. Including lignite.

e. Approximate metal content of ores as follows: Hong Kong, 45%; India, 65%; Japan and the Philippines, 55%; Federation of Malaya, 60%.

f. Including iron sand.

g. Specific gravity: Brunei, Burma, Iran, Pakistan and Sarawak, 0.84; Indonesia, 0.85; Japan, 0.90.

h. Production in government licensed plants only.

i. Annual figures relate to crop year for India, the Philippines and Thailand, but calendar year for other countries.

j. Including paper board.

k. 16% P₂O₅ content.

m. Comprising motor spirit, kerosene and diesel oil for Burma; gasoline, diesel oil, kerosene and fuel oil for China (Taiwan); motor spirit, aviation spirit, kerosene, heavy oil, wax and paraffin, asphalt and cutback for Indonesia; motor spirit, kerosene, distillate fuel oils and residual fuel oil (prior to 1957) for Iran; gasoline, diesel oil, kerosene, fuel oil, gas oil, lubricating oil and others for Japan.

n. The data relate to total production of clay bricks for building purposes, including common and facing bricks. Glazed, refractory, paving, concrete, shale and sand-line bricks are excluded.

p. Including electricity purchased from Singapore.

q. Consumption of electricity; Bangkok Electric Works and Sam Sen Power Station.

r. Beginning 1954, Republic of Viet-Nam only, which represented 67% of total production in 1954.

t. Annual rate based on production of August-December.

13. CONSTRUCTION—NEW BUILDING

PRODUCTION, TRANSPORT

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958		I 9 5 9				
							III	IV	I	II	III	Oct	Nov
Ceylon: completed ^a													
(Floor area—thousand sq metres)													
Residential	6.27	7.22	6.72	6.49	5.97	1.88	1.36	2.42	4.10	3.23	5.55	...	...
Non-residential	2.29	2.70	2.02	2.20	2.54	1.46	0.71	2.23	2.80	3.00	5.82	...	...
China (Taiwan): completed													
(Floor area—thousand sq metres)													
Public	6.09	4.81	6.15	4.71	5.68	8.41	4.38	10.29	8.57	6.29	3.47	4.50	4.82
Private	22.39	25.67	32.73	23.55	26.67	35.85	40.74	35.95	24.58	24.39	26.58	21.67	16.50
Federation of Malaya: completed													
(Cost—thousand Malayan dollars)													
Residential . . . . .	...	...	...	3,526	4,392	3,701	4,655	2,865	1,991	935	1,683	...	...
Industrial . . . . .	...	...	...	347	413	272	286	451	292	69	119	...	...
Commercial . . . . .	...	...	...	425	519	455	476	434	1,057	406	200	...	...
Others . . . . .	...	...	...	990	1,221	972	1,129	777	897	479	404	...	...
Hong Kong: completed													
(Cost—thousand Hong Kong dollars)													
Residential	4,128	4,236	8,902	8,654	10,267	10,489	16,320	9,033	10,680	14,219	12,788	11,473	22,714
Industrial	564	671	862	815	1,016	2,330	1,672	4,877	1,688	675	1,903	1,519	3,017
Commercial	86	886	336	1,438	1,204	2,438	4,180	5,053	118	637	410	3,570	8,279
Others	1,828	1,807	1,845	2,197	1,696	4,847	3,733	9,156	1,259	941	1,963	750	4,252
Japan: started													
(Floor area—thousand sq metres)													
Residential	1,421	1,400	1,454	1,752	1,870	1,933	2,075	1,979	1,741	2,152	2,327	2,089	...
Non-residential	1,448	1,367	1,328	1,665	1,775	1,593	1,658	1,775	1,736	1,925	2,201	2,194	...
Korea, Republic of: permits issued													
(Floor area—thousand sq metres)													
Residential . . . . .	...	...	13 ^b	27	22	37	54	43	16	82	85	102	48
Non-residential . . . . .	...	...	53 ^b	65	66	67	88	68	47	113	98	128	48
Philippines: permits issued													
(Value—thousand pesos)													
Residential	1,573	850	1,295	1,596	1,732	1,807	1,395	1,454	1,468	2,012	1,386	1,586	...
Non-residential	2,339	1,620	1,857	2,298	3,122	2,194	1,430	1,495	4,839	3,098	2,590	4,863	...
Singapore: completed (Number of dwelling units)													
Public ^d	227	239	279	184	124	340	...	...	...	...	...	...	...
Private ^e	148	120	200	186	156	145	75	110	53	16	211	38	18
Thailand: permits issued (Number of buildings)													
Residential	251	214	244	201	204	226	213	200	193	163	149	123	176
Non-residential	57	72	72	64	44	27	23	30	26	20	28	12	34
Viet-Nam: Republic of													
(Floor area—thousand sq metres)													
Apartments	11.18	12.75	6.36	7.10	4.41	7.99	7.80	8.99	7.89	4.63	12.66	17.39	12.57
Houses	8.64	11.22	5.10	3.35	3.92	5.23	6.49	5.62	10.08	6.73	8.78	4.50	6.58
Others	3.69	4.09	2.10	2.82	1.99	2.80	2.57	2.06	2.58	2.71	8.37	2.21	2.34

a. Excluding particulars of buildings under building schemes.

b. December.

c. Manila only.

d. Comprising buildings erected by or on behalf of Public Works Department, Singapore Improvement Trust and City Council.

e. Quarterly figures exclude buildings erected in city area which are not available.

f. Bangkok only.

g. Saigon-Cholon only.

14. VOLUME OF TRAFFIC: RAILWAYS, SEA-BORNE SHIPPING AND CIVIL AVIATION

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958		I 9 5 9				
							III	IV	I	II	III	Oct	Nov
RAILWAYS ^a													
Passenger-kilometres (million)													
Burma ^f	47	57	66	70	78	90	86	111	...	...	...	...	...
Cambodia	4	4	5	6	7	6	6	6	6	6	6	...	...
Ceylon ^g . . . . .	...	116	115	123	127	...	...	...	...	...	...	...	...
China (Taiwan)	173	186	211	237	287	308	299	309	330	319	316	...	...
Hong Kong	7	6	7	9	10	9	8	9	10	10	10	12	12
Fed. of Malaya and Singapore	44	47	49	50	52	...	...	...	...	...	...	...	...
India ^h	4,723	4,892	5,040	5,464	5,554	5,616	5,010	5,407	5,938	6,114	5,401	5,760	5,720
Indonesia	286	335	421	388	395	460	...	...	...	...	...	...	...
Iran	31	34	39	37	72	...	...	...	...	...	...	...	...
Japan ⁱ	6,963	7,253	7,603	8,173	8,437	8,851	8,994	8,628	8,835	9,284	9,591	9,921	...
Korea, Republic of	241	325	309	337	286	34	362	361	333	378	382	408	396
Pakistan ^j	730	772	788	860	901	908	926	900	905	983	955	959	...
Philippines ^k	32	35	37	43	49	58	51	61	60	76	56	...	...
Thailand	191	196	167	155	164	164	136	141	176	168	126	143	151
Viet-Nam ^l	8	11	31	32	37	36	35	35	44	38	43	47	...

TRANSPORT

14. VOLUME OF TRAFFIC: RAILWAYS, SEA-BORNE SHIPPING AND CIVIL AVIATION (Cont'd.)
Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958		1 9 5 9				
							III	IV	I	II	III	Oct	
RAILWAYS ^a (Cont'd.)													
Freight ton-kilometres (million)													
Burma†	35	44	53	51	51	52	45	48	57	64	59	48	
Cambodia	4	5	2	4	5	5	3	3	8	9	5		
Ceylon†	21	22	22	24	25	22	26	25	25	23	27		
China (Taiwan) ^c	120	122	137	142	159	158	147	168	164	168	119		
Fed. of Malaya and Singapore	31	32	33	37	36	32	33	32	37	42	49		
Hong Kong	0.29	0.33	0.51	0.65	0.57	0.66	0.39	1.22	0.53	0.49	0.75	0.98	
India†	4,002	4,159	4,595	5,166	5,892	6,185	6,045	5,987	7,160	5,840	6,229	6,183	
Indonesia	75	81	88	87	87	89							
Iran	79	99	104	113	125	121	111	130	137	188	146		
Japan†	3,368	3,277	3,500	3,859	3,971	3,727	3,497	4,099	3,705	3,973	3,841	4,357	
Korea, Republic of	241	155	156	169	197	204	203	227	217	235	221	262	
Pakistan†	472	449	469	529	557	596	525	580	663	652	498	569	
Philippines ^d	12	12	13	12	13	17	16	13	15	16	15		
Thailand	54	57	65	76	85	91	85	81	110	106	87	88	
Viet-Nam ^b	15	12	7	5	7	7	7	8	8	9	10	13	
INTERNATIONAL SEA-BORNE SHIPPING													
Freight loaded (L) and unloaded (U) in external trade (thousand tons)													
Ceylon ^d	L	73	92	88	82	69	81	71	63	65	60	78	
	U	182	203	191	205	268	257	317	317	284	274	410	
China (Taiwan)	L	120	85	106	104	111	149	151	145	185	193	221	
	U	109	142	155	177	193	189	221	167	194	179	106	
Fed. of Malaya	L	182	183	226	284	310	258	391	218	186	442	445	
	U	185	193	231	241	235	221	207	227	208	223	228	
Hong Kong	L	126	126	141	162	143	163	151	209	149	159	166	
	U	279	303	347	386	426	443	429	478	416	449	471	
Indonesia	L	1,034	1,068	1,040	1,096	1,500	1,283	1,312	1,391	656	2,027	931	
	U	350	326	389	488	526	292	233	347	227	341	337	
Iran ^{**}	L	47	292	1,199	1,181	1,686							
	U	44	65	89	72	84							
Japan ^e	L	413	476	624	681	645	726	708	768	774	801	781	
	U	2,607	2,794	3,058	3,870	4,890	4,093	4,340	4,299	4,256	5,568	5,613	
Korea, Republic of	L	12	9	8	11	15	10	6	16	9	28	19	
	U	95	82	171	74	104	98	99	96	123	95	98	
Pakistan	L	109	101	124	120	100	92	75	131	110	114	99	
	U	293	218	236	335	382	373	334	319	375	271	322	
Philippines	L	375	442	483	587	494	466	410	496				
	U	283	251	280	347	297	242	247	286				
Singapore	L	438	450	510	552	554	483	417	444	389	443	446	
	U	732	769	883	921	958	855	792	769	755	756	813	
Thailand (Bangkok)	L	143	138	161	164	186	162	154	157	148	162	156	
	U	107	108	116	126	138	142	126	145	155	158	150	
Viet-Nam (Saigon)	L	17	36	39	28	47	40	25	41	41	53	60	
	U	106	126	112	108	115	125	123	124	125	140	154	
Entrances (E) and clearances (C) of vessels with cargo in external trade (thousand net registered tons)													
Burma ^e	E	104	122	116	112	117	...	174	...	...	...	...
	C	135	168	154	155	149	...	159	...	...	...	...
India	E	750	753	806	829	947	1,014	989	1,107	1,113	994	1,223	
	C	885	800	702	737	702	812	825	858	985	1,017	1,089	
CIVIL AVIATION ^h													
Passenger-kilometres (million)													
Burma	4.58	4.55	5.11	4.99	3.36	3.18	...	...	...	...	...	...
Ceylon	1.67	0.77	0.79	2.45	3.28	3.81	3.96	3.53	3.58	3.65	4.81	3.77	
China (Taiwan)	3.12	3.64	3.85	3.99	4.50	4.55	4.43	4.56	4.44	5.83	6.03	6.03	
India	32.15	36.70	42.92	56.60	65.13	72.0	70.3	78.8	76.6	77.1	76.8	82.9	
Indonesia	14.03	15.01	19.87	22.40	23.34	16.16	17.68	19.97	19.97	20.23	22.48	23.15	
Iran	1.20	1.60	2.58 ⁱ	2.84 ⁱ	3.06	...	...	...	...	...	...	...
Japan	11.20	19.47	27.43	37.96	47.37	57.19	68.02	56.58	53.50	71.59	...	...
Pakistan	3.46	4.88	9.21	12.03	17.71	19.12	19.09	18.80	17.48	21.48	23.51	21.49	
Philippines	18.97	10.84	10.08	11.74	13.94	15.61	14.24	17.17	16.88	22.12	17.57	...	
Thailand	2.60	3.35	4.14	5.01	6.53	4.18	3.10	3.49	3.39	3.85	3.06	3.77	
Freight ton-kilometres (thousand)													
Burma	127	181	112	94	66	56	...	...	...	...	...	...
Ceylon	69	12	14	118	144	120	120	123	123	157	178	191	
China (Taiwan)	179	199	203	162	165	168	144	220	188	193	165	174	
India	2,203	2,357	2,879	3,215	3,225	3,402	3,327	3,609	3,353	3,407	3,449	3,707	
Indonesia	620	621	662	729	762	453	460	520	481	452	472	512	
Iran	16	17	50 ⁱ	105 ⁱ	72	...	...	...	...	...	...	...
Japan	55	258	508	762	939	1,215	1,245	1,562	1,338	1,367	...	...
Pakistan	153	147	214	260	357	543	636	487	960	1,084	1,161	1,385	
Philippines	778	398	347	335	386	347	341	407	363	387	404	...	
Thailand	140	151	107	112	156	73	67	39	40	42	40	46	

a. Railway traffic coverage: China (Taiwan), Taiwan Railway Administration; India and Pakistan, class I railways; Japan, State Railways only; Philippines, Manila Railroad Company.

b. From August 1954, Republic of Viet-Nam only.

c. Including service traffic.

d. For 1953 port of Colombo only.

e. Caspian Sea traffic included.

f. Excluding military and charity goods and transit traffic, including imports and exports by air and parcel post, and prior to 1965, including also trade in ships delivered as goods without being loaded on other ships.

g. Total number of entrances and clearances made during each voyage but excluding sailing vessels.

h. Scheduled domestic and international routes.

i. Including non-scheduled and/or non-revenue operations.

EXTERNAL TRADE

15. VALUE OF EXPORTS AND IMPORTS AND BALANCE OF TRADE

Monthly averages or calendar months

Millions

	Ex-ports	Im-ports	Balance	Ex-ports	Im-ports	Balance	Ex-ports	Im-ports	Balance	Ex-ports	Im-ports	Balance	Ex-ports	Im-ports	Balance	Ex-ports	Im-ports	Balance	
	AFGHANISTAN ^a (Afghanis)			BRUNEI (Malayan dollar)			BURMA (kyat)			CAMBODIA (riel)			CEYLON (rupee)			CHINA (mainland) ^b (US dollar)			
1953	79	86	- 7	23.5	9.5	+14.0	94	70	+24	161	124	+37	131	134	- 3	33	23	+10	
1954	120	86	+34	22.8	8.3	+14.5	100	81	+19	184	172	+12	151	116	+35	29	24	+ 5	
1955	121	105	+16	25.3	8.7	+16.6	90	72	+18	117	139	-22	162	122	+40	38	28	+12	
1956	125	134	- 9	27.5	9.5	+18.0	98	78	-20	107	165	-58	144	135	+ 9	133	118	+15	
1957	165	164	+ 1	28.3	9.0	+19.3	91	117	-26	151	170	-19	140	150	-10	129	112	+17	
1958	...	...	...	27.2	7.4	+19.8	77	81	- 4	154	222	-68	142	143	- 1	150	145	+ 5
1959	...	...	...	27.4	7.6	+19.8	73	82	- 9	150	188	-38	167	151	+16	...	...	...
III	...	...	...	27.8	6.9	+20.9	66	74	- 8	142	186	-44	156	175	-19	...	...	...
IV	...	...	...	28.4	6.1	+22.3	72	81	- 9	104	184	-80	134	148	-14	...	...	...
I	...	...	...	24.9	4.7	+20.2	84	77	+ 7	207	165	+42	143	145	- 2	155	133	+22
II	...	...	...	...	...	...	110	86	+24	189	229	-40	146	215	-69	...	...	...
III	...	...	...	...	...	...	121	114	+ 7	82	188	-106	169	196	-27	...	...	...
Oct	...	...	...	...	...	...	63	100	-37	194	228	- 34	176	167	+ 9	...	...	...
Nov	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	CHINA (Taiwan) (NT dollar)			FEDERATION OF MALAYA ^c (Malayan dollar)			HONG KONG (HK dollar)			INDIA (rupee)			INDONESIA ^d (rupiah)			IRAN ^e (1,000 Mn rials)			
1953	165	230	ICA imports 82	133	121	+ 12	228	323	53	443	479	- 36	798	726	+ 72	0.72	1.41	-0.69	
1954	121	275	125	135	110	+ 25	202	286	57	469	515	- 46	823	598	+225	1.02	1.88	-0.86	
1955	160	262	127	198	129	+ 69	212	310	61	508	561	- 55	898	600	+298	1.46	2.25	-0.79	
1956	244	400	166	188	146	+ 42	268	381	65	516	685	-169	851	817	+ 34	1.99	2.09	-0.10	
1957	306	438	172	182	151	+ 31	252	429	62	536	855	-319	921	763	+158	2.30	2.62	-0.32	
1958	322	467	138	157	138	+ 19	249	383	105 ^f	482	720	-238	718	488	+230	0.73	2.69	-1.96	
1959	289	470	171	155	131	+ 24	244	359	100	544	604	- 60	781	456	+325	0.58	2.48	-1.90	
III	274	561	143	171	141	+ 30	285	429	114	527	705	-178	840	484	+356	0.87	3.32	-2.45	
IV	567	548	146	175	126	+ 49	221	334	151	451	640	-189	596	335	+261	0.64	2.74	-2.10	
I	568	762	237	185	137	+ 48	271	407	191	444	746	-302	1,041	427	+614	...	...	...
II	288	831	248	222	151	+ 71	281	435	196	567	636	- 69	786	425	+361	...	...	...
III	366	716	246	252	157	+ 95	319	455	223	597	650	- 53	889	486	+403	...	...	...
Oct	589	675	297	233	162	+ 70	304	460	215	618	700	- 82	742	464	+278	...	...	...
Nov	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	JAPAN ^g (1,000 Mn yen)			KOREA, ^h Republic of (US dollar)			LAOS (kip)			NORTH BORNEO (Malayan dollar)			PAKISTAN (rupee)			PHILIPPINES ⁱ (peso)			
1953	38.2	72.3	Special procurement 13.3	3.3	29.0	-25.7	6	32	- 26	4.7	5.5	-0.8	121	97	+24	66.4	75.4	- 9.0	
1954	48.9	72.0	7.2	2.0	20.6	-18.6	3	47	- 44	6.4	6.2	+0.2	99	92	+ 7	66.8	79.8	-13.0	
1955	60.3	74.1	5.2	1.5	28.7	-27.2	4	55	- 51	8.7	7.3	+1.4	125	90	+35	66.8	91.3	-24.5	
1956	75.0	96.9	5.0	2.1	32.4	-30.3	4	103	- 99	10.1	9.8	+0.3	135	166	-31	75.5	84.4	- 8.9	
1957	85.7	128.5	6.9	1.9	37.2	-35.3	3	122	-119	10.0	10.1	-0.1	134	174	-40	72.0	102.4	-30.4	
1958	86.3	91.0	4.3	1.4	31.5	-30.1	5	87	- 82	10.9	10.7	+0.2	118	157	-39	82.2	93.7	-11.5	
1959	82.6	87.9	3.7	1.2	27.6	-26.4	4	85	- 81	11.5	11.4	+0.1	87	143	-56	86.9	84.2	+ 2.7	
III	95.7	86.5	2.3	1.9	28.1	-26.2	5	75	- 70	11.2	11.2	- 0.1	131	143	-12	88.6	101.7	-13.1	
IV	87.4	94.8	1.8	1.1	23.7	-22.6	3	87	- 84	11.6	10.1	+1.5	116	137	-21	78.3	70.0	+ 8.3	
I	97.4	113.6	9.7	2.4	20.7	-18.3	8	78	- 70	14.0	13.7	+0.3	108	103	+ 5	101.4	86.2	+15.2	
II	106.0	108.3	5.0	1.6	25.9	-24.3	8	90	- 82	16.0	13.6	+2.4	113	145	-32	111.5	88.1	+23.4	
III	124.4	107.1	2.8	0.6	20.0	-19.4	...	...	...	...	...	...	186	147	+39	89.0	84.0	+ 5.0
Oct	105.3	104.1	1.2	1.3	24.0	-22.7	...	...	...	...	...	...	163	173	-10	80.0	82.0	- 2.0
Nov	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	SARAWAK (Malayan dollar)			SINGAPORE ^c (Malayan dollar)			THAILAND (baht)			VIET-NAM ^j (piastre)			General Notes: Special trade system for Cambodia, China (Taiwan), Indonesia, Iran, Republic of Korea, Laos, North Borneo, Sarawak and Viet-Nam; general trade for other countries. Figures on import include aid unless otherwise specified. a. Years beginning 21 March. Exports are home produced goods. b. Estimates partly based on trade data of countries trading with China (mainland). Where exports to China (Taiwan) could not be distinguished from exports to China (mainland), they are shown as exports to China (mainland). Prior to 1956, data exclude the trade of China (mainland) and the countries of Eastern Europe with one another. c. Including movements between Federation of Malaya and Singapore. d. For 1958 only, products wholly or principally of Hong Kong origin. e. Data compiled and published in rupiah at the official rate.						
1953	35.4	32.9	+ 2.5	221	252	-31	481	539	- 58	157	883	-726							
1954	35.5	33.2	+ 2.3	224	252	-28	515	585	- 70	164	946	-782							
1955	39.8	36.8	+ 3.0	281	322	-41	593	625	- 32	201	768	-567							
1956	40.6	38.7	+ 1.9	286	327	-41	577	640	- 63	122	614	-492							
1957	41.6	38.6	+ 3.0	290	338	-48	628	711	- 83	232	842	-610							
1958	38.6	36.1	+ 2.5	262	312	-50	538	670	-132	159	677	-518							
1959	41.0	36.7	+ 4.3	242	288	-46	502	624	-122	107	639	-532							
III	42.3	38.1	+ 4.2	259	297	-38	473	641	-168	173	708	-535							
IV	44.7	36.6	+ 8.1	248	296	-48	615	649	- 34	136	541	-405							
I	42.3	36.7	+ 5.6	286	325	-39	563	732	-169	170	652	-482							
II	45.4	39.3	+ 6.1	298	332	-34	643	746	-103	256	646	-390							
III	305	344	-39	607	724	-117	188	559	-371							
Oct	320	334	-14	710	711	- 1	274	706	-432							
Nov							

f. Years beginning 21 March. Including value of exchange certificates. From 1957, quarterly figures on exports exclude petroleum; for 1958 imports exclude "official" imports.
g. Data on Special procurement not included in trade statistics.
h. Prior to 1955, figures based on foreign exchange settlements at the Bank of Korea. From 1955 onwards, government imports are still based on exchange settlements, but exports and private imports are based on data of Bureau of Customs.

i. Imports valued f.o.b.
j. Prior to January 1955, excluding trade with Cambodia and Laos but including transit trade of these countries with other countries through Viet-Nam. Beginning June 1955, trade of the Republic of Viet-Nam only.

EXTERNAL TRADE

16. DIRECTION OF INTERNATIONAL TRADE
Quarterly averages or quarters

Million

Area of origin for imports and area of destination for exports	Year and Quarter	BURMA		CAMBODIA		CEYLON		CHINA (Taiwan)		FEDERATION OF MALAYA		HONG KONG		INDIA		INDONESIA
		Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	
1. All countries	1953	59.4	44.2	...	...	82.3	84.5	31.9	45.5	75.2	73.1	120.8	170.6	279.0	300.2	210.0
	1954	62.1	51.1	...	...	95.0	73.4	23.3	52.8	76.2	68.1	120.3	164.9	295.6	323.8	214.0
	1955	56.7	45.2	10.0	11.9	101.8	76.7	30.8	50.2	112.3	78.1	127.5	180.0	319.1	353.4	238.4
	1956	61.5	49.4	9.3	13.7	91.1	85.8	29.6	48.4	117.0	186.2	163.0	221.2	312.8	427.2	220.5
	1957	52.5	74.0	12.9	14.6	98.3	94.7	37.1	53.1	114.2	90.0	149.8	243.0	337.5	538.6	242.4
	1958	45.3	50.8	13.9	18.7	86.7	90.1	39.0	56.6	101.7	81.3	141.1	211.5	304.0	453.7	188.8
	III	44.6	51.7	12.8	15.6	101.9	95.3	35.0	56.9	99.4	78.7	137.7	197.6	342.8	380.8	207.8
	IV	39.8	46.2	12.2	15.1	97.0	110.5	33.1	67.9	112.9	83.1	155.1	231.6	322.8	614.9	224.8
	1959															
	I	44.7	51.9	8.9	14.2	81.6	93.2	46.8	45.2	115.7	71.0	131.1	191.5	280.1	409.1	156.9
	II	53.4	48.5	17.8	12.7	86.3	91.0	46.9	62.9	124.3	78.7	158.9	227.8	278.3	527.7	267.2
	III	66.6	54.3	16.1	19.6	89.5	135.0	23.8	68.5	147.6	86.7	159.5	238.5	352.3	457.4	209.2
2. ECAFE countries* (including Japan)	1953	45.0	22.9	...	...	16.3	34.8	20.7	17.5	13.5	35.2	90.0	93.4	53.3	40.4	71.8
	1954	52.1	26.3	...	...	18.6	32.0	18.2	20.7	13.9	31.9	72.5	76.1	46.6	60.7	85.2
	1955	40.4	21.5	4.3	7.4	13.7	32.7	24.4	18.0	16.0	38.6	69.0	91.7	58.6	59.6	79.7
	1956	45.4	22.6	3.3	8.8	15.9	36.4	20.4	19.7	20.6	40.5	93.1	115.6	53.2	62.1	86.0
	1957	39.0	35.2	5.3	8.3	13.3	37.8	25.5	20.6	28.1	43.3	75.8	120.7	53.5	67.9	105.5
	1958	34.1	26.0	4.9	9.5	8.5	35.0	26.8	25.2	28.2	40.3	62.9	114.9	50.8	68.8	88.2
	III	33.4	24.3	3.6	8.0	9.5	41.4	17.7	22.2	34.0	41.3	57.8	111.1	57.5	53.3	93.5
	IV	28.7	26.2	2.0	6.9	13.0	42.3	24.2	28.9	24.5	42.3	74.4	134.3	58.9	90.4	114.5
	1959															
	I	29.9	26.4	3.0	6.0	8.5	32.3	35.7	18.9	23.6	34.7	47.3	97.4	46.2	52.2	73.5
	II	34.7	24.9	6.1	6.0	9.5	30.1	27.7	29.5	34.7	37.0	56.5	113.9	57.0	48.7	110.1
	III	52.5	29.0	3.6	12.3	10.3	50.3	13.4	29.0	39.8	44.2	60.1	129.2	68.3	50.1	91.4
3. Japan	1953	11.2	7.3	...	...	0.5	3.6	14.5	13.5	5.0	1.9	9.7	16.8	14.2	6.5	9.4
	1954	14.6	11.2	...	...	0.8	4.0	11.9	17.6	5.3	2.2	5.0	20.3	8.6	8.8	12.5
	1955	11.4	9.6	0.1	1.2	0.6	5.2	18.3	15.3	7.3	3.6	6.4	23.0	13.8	16.9	18.3
	1956	9.4	8.2	0.4	2.6	0.8	6.0	11.0	17.6	9.8	3.8	13.9	35.5	15.7	22.9	18.4
	1957	5.9	17.7	0.3	2.4	1.4	6.8	13.1	17.6	14.4	3.6	10.0	33.4	14.4	28.6	10.0
	1958	2.5	12.2	0.1	3.3	2.0	8.2	16.3	22.4	13.4	3.2	5.2	26.1	13.6	20.8	6.8
	III	1.0	9.1	0.2	2.6	1.8	7.7	3.5	19.1	16.3	2.5	4.4	23.5	15.2	13.4	6.8
	IV	1.3	9.3	—	2.1	3.2	10.5	16.0	25.5	16.3	3.4	6.8	27.1	11.2	26.9	8.1
	1959															
	I	3.5	10.0	—	1.8	2.6	9.5	25.7	16.2	16.0	3.9	6.7	25.7	16.5	25.7	7.4
	II	2.1	12.6	0.3	1.3	2.3	6.0	16.2	25.8	23.8	3.8	11.0	33.7	18.2	26.5	10.2
	III	1.3	10.1	0.6	3.8	2.1	6.2	3.9	28.4	28.9	4.9	10.4	35.1	19.9	13.5	5.2
4. Western Europe (including UK)	1953	6.4	16.9	...	...	30.4	27.3	3.9	6.3	36.8	28.3	10.5	50.9	102.7	127.8	74.2
	1954	5.4	20.2	...	...	34.8	24.2	1.4	4.5	37.2	27.2	10.6	42.4	122.2	144.2	71.6
	1955	8.8	18.8	3.1	3.7	38.8	26.6	1.7	3.5	58.3	31.4	15.9	41.6	126.6	159.2	79.3
	1956	7.6	18.9	3.1	3.0	35.8	30.2	1.8	4.5	54.8	36.4	18.6	46.9	130.6	219.6	80.8
	1957	4.9	27.2	3.3	4.4	31.6	29.2	1.3	4.9	50.0	36.5	20.7	61.2	119.3	265.6	78.0
	1958	4.4	17.1	3.8	7.3	37.8	30.4	1.5	4.9	42.8	31.9	24.9	46.9	116.2	190.9	47.4
	III	4.3	19.3	3.8	5.5	45.4	29.3	2.6	4.1	37.9	29.0	24.5	44.4	135.3	179.3	57.2
	IV	6.1	13.6	4.5	6.8	37.5	36.0	0.6	6.2	39.2	32.2	27.8	50.3	134.9	215.6	50.8
	1959															
	I	8.3	16.5	2.3	6.7	32.2	33.1	1.2	3.5	46.3	26.7	25.6	40.7	103.8	188.6	52.0
	II	7.3	16.1	6.6	5.1	49.7	42.6	1.6	5.0	41.4	31.7	29.9	52.7	101.2	233.8	76.4
	III	8.4	17.7	5.3	5.0	23.7	29.4	2.5	7.4	53.2	33.5	29.4	53.2	131.7	198.2	69.3
5. United Kingdom	1953	4.4	11.8	...	...	20.4	19.0	2.1	2.0	18.5	23.1	5.2	20.8	78.5	74.2	4.4
	1954	3.9	12.5	...	...	26.4	15.4	0.7	1.3	14.9	21.3	7.1	16.2	93.1	79.2	9.8
	1955	4.8	11.5	0.2	0.1	26.5	16.2	0.9	0.6	26.5	24.1	11.0	19.3	88.3	84.8	23.0
	1956	4.6	10.4	0.1	0.2	26.3	18.3	0.7	0.8	23.2	27.2	13.0	22.4	96.7	109.1	19.6
	1957	3.2	15.7	—	0.2	24.1	19.4	0.3	0.8	24.6	26.8	14.7	29.2	84.5	125.2	17.6
	1958	3.4	9.4	0.1	0.4	29.7	21.8	0.2	1.0	20.7	24.5	17.2	23.2	87.3	88.5	24.0
	III	3.3	12.2	—	0.3	36.2	20.5	0.4	0.9	16.1	22.7	16.2	22.0	105.1	84.5	27.5
	IV	4.3	7.6	—	0.3	26.2	27.6	0.1	1.5	15.9	24.4	19.1	24.6	105.4	98.8	30.2
	1959															
	I	5.0	9.8	—	0.2	21.6	23.4	0.2	0.5	17.2	19.6	18.0	21.6	71.4	76.5	35.4
	II	3.4	9.4	—	0.1	35.1	29.5	0.3	1.2	14.8	21.7	20.6	25.2	68.8	96.2	48.8
	III	4.7	10.2	—	0.2	16.7	21.8	0.4	0.9	24.1	22.5	19.5	26.2	98.2	94.8	47.5
6. Eastern Europe	1953	—	0.2	...	...	0.2	0.6	—	—	1.5	0.2	—	1.0	1.8	2.0	1.1
	1954	0.2	0.6	...	...	0.1	0.6	—	—	1.9	0.2	—	1.0	2.8	4.0	1.8
	1955	5.6	0.4	—	—	0.1	0.4	—	—	2.1	0.2	—	0.8	2.2	4.2	6.7
	1956	5.6	3.8	—	—	0.1	0.4	—	—	4.7	0.3	—	0.8	9.1	13.8	3.0
	1957	4.4	5.2	—	—	0.3	0.4	—	—	3.4	0.4	—	0.6	12.6	19.8	2.2
	1958	2.8	3.4	—	0.2	0.3	0.4	—	—	9.6	0.2	—	0.4	16.0	17.7	2.7
	III	3.6	3.1	—	—	0.1	0.5	—	—	6.9	0.2	—	0.4	21.1	14.2	2.1
	IV	1.8	3.0	—	0.7	0.4	0.5	—	—	21.7	0.2	—	0.3	18.8	19.2	0.6
	1959															
	I	1.2	2.7	—	0.3	2.9	2.1	—	—	16.5	0.1	0.1	0.3	15.4	12.2	0.9
	II	6.6	2.9	—	0.3	2.8	1.6	—	—	18.1	0.3	—	0.4	22.4	18.1	2.8
	III	1.2	2.1	0.6	0.5	0.3	0.5	—	—	20.0	0.2	—	0.7	21.8	16.5	7.5

16. DIRECTION OF INTERNATIONAL TRADE (Cont'd)

Quarterly averages or quarters

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EXTERNAL TRADE

Million dollars

Area of origin of imports and area of destination of exports	Year and Quarter	BURMA		CAMBODIA		CEYLON		CHINA (Taiwan)		FEDERATION OF MALAYA		HONG KONG		INDIA		INDONESIA ^a	
		Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
7. Latin America	1953	1.1	1.8	...	...	10.8	3.6	1.4	19.4	21.0	2.2	4.3	12.5	58.6	57.0	48.4	35.1
	1954	0.3	2.1	...	...	10.2	2.6	1.3	25.3	18.7	1.5	5.0	14.8	54.2	44.2	36.6	23.0
	1955	0.3	1.4	2.6	0.7	14.5	5.4	1.4	24.6	29.7	1.7	6.4	16.3	61.1	52.2	49.9	24.2
	1956	0.4	1.4	2.5	1.5	12.8	4.2	1.7	20.6	31.7	2.1	7.8	20.6	58.0	53.6	36.2	35.6
	1957	0.9	3.0	2.6	0.8	12.5	4.4	1.4	21.6	26.2	2.5	12.0	25.8	81.3	97.2	37.8	33.7
	1958	0.4	2.2	3.7	1.7	11.6	5.3	2.5	21.6	17.7	1.8	20.6	21.4	61.2	103.4	33.1	20.6
	III	0.2	3.5	4.2	1.7	13.2	4.4	3.7	27.2	15.9	1.7	20.8	18.8	60.8	65.4	32.5	17.5
	IV	0.6	1.4	4.7	1.1	13.9	10.3	3.0	25.0	21.9	1.5	24.1	19.8	55.4	211.3	39.4	20.1
	1959																
	I	0.8	2.9	3.5	1.0	12.7	3.9	2.1	17.2	22.9	1.9	23.7	19.6	60.6	89.2	21.7	12.4
	II	0.5	2.4	2.5	1.2	12.9	7.6	3.4	24.9	23.2	2.4	33.9	27.9	54.9	156.6	50.5	21.6
	III	0.4	1.5	6.0	1.8	12.9	11.3	4.1	24.6	26.2	2.1	29.8	26.4	63.8	124.8	30.1	18.5
8. United States of America	1953	1.1	1.8	...	...	6.4	2.7	1.3	17.9	19.0	2.0	3.3	9.9	51.2	47.2	43.0	34.8
	1954	0.3	2.1	...	...	6.2	1.9	1.3	24.6	16.4	1.3	4.1	12.4	46.2	38.8	35.9	22.7
	1955	0.3	1.3	2.6	0.6	9.3	2.4	1.4	23.9	26.7	1.5	5.2	14.3	48.7	47.2	41.8	23.9
	1956	0.4	1.4	2.4	1.4	7.4	2.1	1.7	20.4	28.2	1.8	6.5	18.6	46.0	49.5	35.3	35.3
	1957	0.6	2.9	2.5	0.8	7.8	3.6	1.3	21.2	23.1	2.2	10.0	23.6	69.3	89.4	36.9	33.3
	1958	0.4	2.2	3.7	1.7	7.1	4.0	2.4	21.1	15.2	1.6	15.6	19.2	48.9	84.8	32.6	20.4
	III	0.2	3.5	4.2	1.7	7.8	2.9	3.6	26.4	13.4	1.5	15.7	17.1	43.5	49.6	31.9	17.4
	IV	0.6	1.4	4.7	1.1	8.8	7.3	2.9	24.7	19.6	1.3	18.3	17.6	43.3	165.7	39.0	20.1
	1959																
	I	0.8	2.4	3.5	0.9	8.9	3.5	2.0	16.8	20.3	1.6	19.1	17.2	51.1	80.4	21.1	12.3
	II	0.5	2.4	2.5	1.2	7.9	7.2	3.2	24.7	20.8	2.1	27.4	25.5	46.6	145.9	49.4	21.4
	III	0.4	1.5	6.0	1.4	7.7	8.9	3.9	24.2	23.0	1.8	27.9	22.6	51.0	109.1	29.8	18.0
9. American Republics	1953	—	—	...	...	0.4	—	0.4	0.1	1.4	—	—	0.4	16.1	1.5	0.4	0.2
	1954	—	—	...	...	0.2	—	0.3	0.2	1.8	—	—	5.0	12.2	4.8	1.4	—
	1955	—	0.2	—	0.1	0.5	2.4	0.1	0.1	2.6	—	—	1.0	11.8	3.0	6.6	0.1
	1956	—	—	—	0.1	0.7	1.7	0.1	—	1.7	0.1	0.1	2.5	8.6	1.3	0.6	2.1
	1957	—	—	—	—	1.0	—	0.1	0.1	3.4	0.1	1.1	1.1	11.4	1.3	0.8	0.1
	1958	—	—	—	—	0.5	—	0.2	0.1	1.7	0.1	1.1	0.8	10.4	0.9	0.6	—
	III	—	—	—	—	0.7	—	0.3	0.3	1.0	—	1.1	0.9	20.3	0.4	0.7	—
	IV	—	—	—	—	0.3	—	—	—	1.5	0.1	1.1	1.0	8.7	2.2	0.5	—
	1959																
	I	—	—	—	—	0.3	—	—	—	2.5	—	2.1	1.1	3.8	0.6	0.3	3.2
	II	—	—	—	—	0.4	—	—	—	2.6	0.1	2.9	0.7	4.6	1.1	—	0.1
	III	—	—	—	0.4	0.7	—	—	—	3.1	0.1	3.4	2.7	15.0	1.3	0.3	0.4
10. Asia	1953	—	1.1	...	...	8.7	9.2	0.2	0.6	0.8	6.6	2.1	2.5	10.2	14.5	6.0	4.4
	1954	—	1.0	...	...	11.2	5.6	0.1	0.6	1.5	4.3	3.0	2.8	14.6	8.7	8.6	3.2
	1955	—	1.3	—	—	10.2	4.6	—	0.2	1.9	4.5	3.6	3.7	16.7	11.2	6.3	3.1
	1956	—	1.6	—	—	7.3	5.0	—	0.5	1.6	4.9	3.8	4.8	14.8	7.3	9.4	4.6
	1957	—	1.7	—	—	6.9	5.7	—	0.3	1.5	5.4	4.5	5.2	16.6	10.2	12.1	4.6
	1958	0.1	1.2	—	—	7.9	3.0	0.1	0.6	2.1	5.0	5.0	5.2	14.7	8.6	12.2	1.7
	III	0.1	1.1	—	—	10.3	2.1	0.1	0.6	2.2	4.5	5.4	4.6	16.6	9.5	15.5	0.8
	IV	0.1	1.0	—	—	8.1	4.0	—	0.8	2.6	5.0	5.2	7.0	13.1	6.7	12.4	1.0
	1959																
	I	—	1.5	—	—	6.4	5.2	—	0.2	2.6	5.2	3.9	4.7	11.7	6.0	3.7	1.1
	II	—	1.4	—	—	6.3	3.2	0.1	0.5	2.6	4.5	5.2	6.9	11.3	9.4	20.0	1.8
	III	—	1.8	—	—	9.7	4.1	0.1	0.4	3.7	4.9	6.0	7.0	16.5	5.7	5.2	2.9
11. Oceania	1953	34.0	28.2	...	...	39.1	53.5	8.3	6.4	24.5	39.3	32.2	45.4	146.9	145.1	67.8	63.0
	1954	38.8	28.1	...	...	52.6	42.6	5.7	4.3	22.7	24.5	36.2	36.6	167.7	162.5	84.3	45.2
	1955	27.4	23.4	1.6	2.8	54.5	45.3	5.0	2.5	34.9	38.6	42.5	42.4	164.9	162.3	84.9	47.5
	1956	29.1	19.6	2.2	4.3	48.3	46.8	8.3	3.1	32.7	42.8	46.1	48.0	164.1	172.4	84.1	61.0
	1957	32.7	31.9	4.1	4.8	45.8	51.8	11.7	8.4	34.1	42.2	48.6	55.6	157.3	192.0	108.2	57.3
	1958	29.5	20.0	4.3	4.1	46.5	46.0	8.6	7.3	29.2	40.0	50.8	45.1	154.3	161.2	95.6	32.3
	III	26.7	22.2	2.4	2.8	59.1	43.5	11.5	6.6	25.7	37.5	46.6	40.3	178.9	145.1	100.2	34.7
	IV	25.3	18.6	1.9	2.9	43.8	58.8	5.4	9.8	24.5	41.7	57.4	51.0	181.5	183.5	115.5	37.3
	1959																
	I	20.2	22.1	2.7	3.3	36.5	47.2	7.5	6.8	24.9	34.8	49.5	47.1	133.7	127.8	89.7	26.3
	II	24.8	20.8	5.4	3.0	41.4	47.2	10.1	6.0	24.2	35.4	56.0	55.9	125.8	147.4	142.4	30.8
	III	55.6	25.6	2.7	6.4	44.6	68.0	1.6	1.4	35.8	41.1	55.8	59.4	167.1	150.3	120.2	31.2
12. Eastern Europe	1953	26.1	14.9	...	...	3.1	19.6	5.5	3.7	4.8	9.3	20.1	18.5	32.4	32.5	56.0	39.6
	1954	31.9	14.4	...	...	6.0	18.5	4.8	2.4	5.4	6.7	19.4	14.3	31.2	49.1	65.3	23.6
	1955	21.4	10.6	1.4	2.7	6.4	22.1	3.7	1.6	4.9	8.7	20.6	16.2	31.8	40.0	54.5	21.4
	1956	25.3	7.6	2.2	4.1	5.2	21.2	6.7	1.8	6.1	9.1	21.6	16.7	28.1	31.2	55.6	29.2
	1957	26.0	13.7	4.1	4.6	3.1	23.6	7.8	2.2	6.4	8.6	21.7	15.4	29.4	31.8	78.1	25.2
	1958	24.0	9.2	4.2	3.7	2.5	18.2	6.6	2.2	5.0	9.0	21.4	11.2	29.2	20.4	59.5	17.2
	III	22.2	8.6	2.4	2.5	4.4	18.1	8.7	2.6	6.2	8.8	17.7	10.4	32.5	32.2	57.8	21.9
	IV	19.0	10.0	1.9	2.6	2.7	23.9	4.5	2.6	4.9	10.3	25.0	13.1	38.1	51.5	72.9	23.2
	1959																
	I	13.4	10.3	2.7	3.1	3.7	14.1	5.7	1.8	4.1	8.3	19.8	14.0	22.3	18.5	50.4	13.3
	II	18.6	9.9	5.3	2.9	3.0	17.7	8.0	2.1	5.4	7.8	22.2	17.9	31.0	19.1	72.4	17.7
	III	47.1	12.8	2.8	6.2	3.7	33.9	6.0	2.6	6.3	12.2	24.0	22.9	31.4	29.7	66.9	12.0

GENERAL NOTES: (1) As complete breakdowns are not given, the sum of total trade of any individual country with different regions does not add up to the total given under trade with "all countries".
 (2) See general note to table 15.
 (3) Trade between the Federation of Malaya and Singapore is excluded.

a. ECAFE countries comprise:

- Sterling countries—Brunei, Burma, Ceylon, Federation of Malaya, Hong Kong, India, North Borneo, Pakistan, Sarawak and Singapore.
- Non-sterling countries—Afghanistan, Cambodia, China, Indonesia, Japan, Korea, Laos, Philippines, Thailand and Viet-Nam.

EXTERNAL TRADE

16. DIRECTION OF INTERNATIONAL TRADE (Cont'd.)

Quarterly averages or quarters

Million

Area of origin for imports and area of destination for exports	Year and Quarter	JAPAN		KOREA, Republic of		LAOS		PAKISTAN		PHILIPPINES		SINGAPORE		THAILAND ^c		VIETNAM	
		Exp.	Imp.	Exp.	Imp. ^c	Exp.	Imp.	Exp.	Imp.	Exp.	Imp. ^d	Exp.	Imp.	Exp.	Imp.		Exp.
1.																	
All countries	1953	318.7	602.4	9.9	66.9	...	...	109.7	87.5	101.0	114.2	171.3	191.4	87.1	75.8	...
	1954	407.3	599.8	6.1	55.4	...	...	89.7	81.2	101.3	120.7	177.8	190.3	73.0	67.8	...
	1955	502.7	617.9	4.5	85.0	0.4	4.7	100.2	72.3	100.2	136.9	227.2	234.0	90.8	75.0	17.2	
	1956	625.2	807.4	6.2	96.6	0.3	8.8	85.0	104.1	112.8	126.6	223.2	253.1	83.6	92.4	11.3	
	1957	714.6	1,071.0	5.6	110.0	0.3	10.4	84.2	110.0	107.9	153.6	226.5	267.7	91.2	103.2	18.9	
	1958	719.2	758.4	4.1	94.6	0.4	6.8	74.4	99.1	123.3	140.5	202.6	253.2	77.2	96.1	13.6	
	III	688.1	732.4	3.6	85.3	0.4	7.3	55.1	90.1	128.7	126.3	187.5	226.2	72.0	89.6	9.2	
	IV	797.5	721.8	5.8	78.6	0.3	4.0	82.5	89.9	137.1	152.5	199.1	243.9	67.3	91.2	15.1	
	1959																
	I	729.0	790.0	3.2	71.0	0.4	3.3	73.7	86.2	117.4	105.1	191.1	234.8	87.8	92.6	11.7	
	II	811.7	946.5	7.3	62.1	0.5	4.0	67.3	65.1	152.0	129.3	222.6	261.9	80.1	104.2	14.6	
	III	883.3	902.2	5.0	85.6	0.6	8.7	71.3	91.6	167.2	132.2	230.5	254.9	91.3	106.0	21.3	
	2.																
ECAFE countries ^a (including Japan)	1953	139.1	160.3	2.2	30.8	...	...	36.9	11.9	13.4	11.7	63.9	118.1	63.5	35.0	...
	1954	167.7	139.5	2.5	27.2	...	...	26.4	15.4	14.4	17.6	59.5	115.6	50.0	32.8	...
	1955	174.3	177.2	2.8	9.1	0.5	2.9	36.7	15.7	16.8	25.5	70.6	151.5	53.8	36.2	5.6	
	1956	217.9	191.0	2.6	4.9	0.6	5.5	29.7	11.1	22.8	26.2	82.0	159.1	51.2	46.8	1.4	
	1957	240.6	202.7	3.8	5.5	0.2	6.1	26.8	21.8	22.7	35.7	92.7	165.7	58.5	48.0	3.9	
	1958	214.3	153.4	2.8	5.4	0.2	3.7	16.4	22.1	27.0	38.9	89.8	161.8	46.4	48.6	4.3	
	III	181.0	131.5	2.4	5.2	0.4	4.0	18.5	25.0	28.5	40.8	82.0	140.3	43.2	41.3	0.7	
	IV	219.8	152.0	4.4	7.3	0.1	2.2	16.7	24.4	36.6	38.1	75.7	161.0	35.9	48.2	1.6	
	1959																
	I	205.2	153.2	2.7	12.6	0.3	2.0	16.6	14.9	27.7	31.7	66.5	155.4	45.6	51.0	3.2	
	II	213.8	199.8	5.4	17.4	0.5	2.0	17.7	10.2	41.7	40.5	76.6	179.9	46.8	47.3	5.4	
	III	222.3	195.4	3.2	20.6	0.6	2.4	20.5	12.5	44.7	36.8	79.9	167.2	37.1	45.1	0.5	
	3.																
Japan	1953	.	.	1.5	26.7	...	...	21.4	4.5	12.0	5.1	7.9	8.6	21.2	13.1	...
	1954	.	.	1.8	17.2	...	...	7.8	8.7	12.6	7.3	8.2	9.8	17.3	16.3	...
	1955	.	.	1.8	4.2	—	0.4	11.6	10.2	15.2	10.8	16.2	15.9	15.8	15.8	0.4	
	1956	.	.	2.0	2.3	—	1.4	10.6	5.2	20.1	12.8	17.6	17.2	7.2	15.2	0.1	
	1957	.	.	2.7	2.9	—	2.3	11.0	4.0	19.5	18.4	19.9	18.4	7.2	21.1	1.0	
	1958	.	.	2.4	3.6	—	1.1	7.5	5.6	24.2	20.3	15.4	22.0	5.8	22.5	0.2	
	III	.	.	1.9	3.3	—	1.0	6.2	4.0	25.3	18.4	15.1	17.4	4.4	18.4	0.1	
	IV	.	.	3.7	4.9	—	0.4	8.9	5.0	32.5	22.6	15.9	18.5	7.8	21.7	0.2	
	1959																
	I	.	.	2.6	7.8	—	0.5	7.0	4.7	23.9	15.9	14.9	20.3	5.9	26.3	0.1	
	II	.	.	5.3	10.7	—	0.2	7.2	2.7	36.5	34.5	17.1	19.4	11.9	26.0	0.9	
	III	.	.	2.7	12.1	—	0.7	6.8	6.0	41.6	22.3	15.3	19.2	7.0	23.2	0.3	
	4.																
Western Europe (including UK)	1953	28.9	50.8	0.1	4.2	...	...	53.6	25.4	13.8	5.8	44.4	44.3	3.3	24.7	...
	1954	36.9	49.2	0.1	4.4	...	...	43.4	39.2	20.2	10.7	52.2	45.1	6.4	22.7	...
	1955	49.0	43.8	0.3	5.9	—	1.4	42.2	31.4	18.1	12.4	78.3	50.8	7.5	24.4	5.9	
	1956	63.7	58.0	0.9	3.7	—	2.3	39.0	29.6	23.5	16.3	73.5	55.9	8.1	28.4	7.7	
	1957	79.6	97.5	0.8	2.0	0.1	2.8	37.8	42.8	22.8	23.2	62.1	60.4	8.4	34.1	10.5	
	1958	82.3	65.9	0.6	3.6	0.1	2.1	39.6	38.8	23.3	18.6	54.1	52.7	11.3	27.9	7.9	
	III	75.8	65.7	0.6	3.5	—	2.2	23.2	37.0	28.4	16.1	53.7	48.7	12.1	27.2	7.2	
	IV	114.6	62.6	0.2	3.5	0.1	1.1	44.5	41.6	29.6	19.2	50.7	52.6	9.1	27.2	9.8	
	1959																
	I	79.4	76.5	0.2	12.4	—	0.8	32.5	36.0	16.1	16.6	49.1	42.8	8.5	24.4	6.2	
	II	71.6	99.9	0.8	15.6	—	1.9	25.2	26.2	16.2	21.0	64.2	52.2	7.9	32.7	7.1	
	III	98.5	86.8	0.2	25.7	—	6.0	27.4	33.6	28.0	22.5	60.5	48.2	7.0	38.5	11.6	
	5.																
United Kingdom	1953	8.3	12.2	0.1	0.6	...	...	21.1	14.4	1.3	1.1	21.1	31.0	0.6	10.0	...
	1954	12.8	9.3	0.1	1.5	...	...	17.4	23.2	1.2	2.3	22.1	27.8	1.8	8.1	...
	1955	15.2	9.5	—	1.1	—	0.1	15.2	17.6	1.4	3.2	35.8	32.3	1.8	8.6	0.4	
	1956	15.8	16.6	0.2	0.6	—	0.3	13.6	14.4	1.7	3.8	33.0	34.7	2.6	10.6	0.1	
	1957	18.4	24.6	0.2	0.3	—	0.6	13.4	21.0	1.7	5.8	25.1	36.6	2.8	11.6	—	
	1958	26.3	14.8	0.2	0.4	—	0.3	14.7	17.6	1.6	4.8	20.9	32.7	4.1	10.3	0.3	
	III	26.1	18.1	0.1	0.5	—	0.4	9.3	16.0	2.0	3.8	19.9	29.4	3.7	8.9	0.1	
	IV	46.0	14.2	0.1	0.3	—	0.1	18.0	16.5	1.5	3.5	19.8	33.4	2.6	10.3	1.0	
	1959																
	I	26.6	21.3	0.1	1.6	—	0.2	13.8	13.1	2.2	4.3	19.7	24.6	3.1	8.7	0.7	
	II	15.5	35.0	0.2	1.2	—	1.1	10.0	11.5	2.5	5.4	22.1	28.9	2.5	12.4	0.2	
	III	17.7	24.4	0.1	4.6	—	4.0	11.5	15.6	2.6	5.6	23.6	27.4	2.1	10.0	0.1	
	6.																
Eastern Europe	1953	1.0	1.4	—	—	...	...	3.2	0.4	—	—	2.8	1.4	—	0.1	...
	1954	1.3	1.1	—	—	...	...	2.0	0.7	—	0.1	2.1	0.9	—	—	...
	1955	3.8	0.8	—	—	—	—	1.7	0.2	—	—	2.7	0.8	0.1	—	...	
	1956	0.6	0.8	—	—	—	—	1.3	0.4	—	—	6.3	1.0	—	0.5	...	
	1957	3.9	4.6	—	—	—	—	2.8	0.9	—	—	8.3	1.1	—	0.8	...	
	1958	5.1	5.9	—	—	—	—	3.7	2.1	—	—	10.8	0.8	—	0.8	...	
	III	2.6	9.2	—	—	—	—	3.6	1.4	—	—	10.0	1.0	—	1.4	...	
	IV	6.8	9.9	—	—	—	—	4.2	1.3	—	—	20.6	0.5	0.1	0.5	...	
	1959																
	I	1.9	7.3	—	—	—	—	3.4	1.4	—	—	22.9	0.7	—	0.5	...	
	II	5.4	8.2	—	—	—	—	3.9	0.8	—	—	21.2	0.7	—	0.8	...	
	III	12.1	14.5	—	—	—	—	1.8	1.5	—	—	18.9	1.0	—	1.2	...	

16. DIRECTION OF INTERNATIONAL TRADE (Cont'd)

EXTERNAL TRADE

Quarterly averages or quarters

Million dollars

Year and Quarter	JAPAN		KOREA, Republic of		LAOS		PAKISTAN		PHILIPPINES		SINGAPORE		THAILAND ^c		VIET-NAM ^c	
	Exp.	Imp.	Exp.	Imp. ^a	Exp.	Imp.	Exp.	Imp.	Exp.	Imp. ^d	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.
7. America																
1953	65.2	242.4	7.6	27.8	...	...	7.4	4.2	69.6	90.6	24.1	10.3	17.7	14.6	...	...
1954	83.2	266.0	3.5	23.0	...	...	6.1	6.2	62.4	85.4	25.3	11.9	14.0	11.5	...	...
1955	134.8	255.5	1.8	62.1	—	0.3	8.4	8.6	60.3	93.6	37.9	11.8	26.6	13.4	4.0	8.0
1956	164.5	358.6	2.7	82.1	—	0.9	8.5	6.8	61.0	79.2	28.0	15.1	21.0	14.9	2.1	15.6
1957	183.5	495.6	1.0	98.6	—	1.5	9.8	34.4	56.7	88.5	27.0	12.6	18.3	17.9	2.8	16.6
1958	214.6	339.4	0.7	83.0	—	0.9	8.3	31.0	68.2	76.2	19.4	10.6	14.4	17.5	1.3	14.4
III	224.1	344.4	0.8	74.7	—	0.8	4.0	22.5	69.0	60.6	17.3	10.1	13.5	18.3	1.1	16.2
IV	255.8	296.2	1.1	64.8	—	0.6	9.2	15.7	67.3	89.7	25.0	8.1	16.6	14.1	3.8	14.0
1959																
I	245.5	343.4	0.4	44.9	—	0.4	10.9	28.9	71.6	53.2	26.1	12.8	24.0	15.3	2.1	10.9
II	310.3	393.6	0.4	26.6	—	0.2	7.5	24.1	92.3	63.6	26.6	10.6	17.2	21.7	1.6	15.2
III	325.3	376.1	1.7	31.7	—	0.3	7.5	28.8	89.5	64.5	37.2	11.0	30.3	17.1	1.0	13.0
8. States of Asia																
1953	58.5	189.4	7.6	24.0	...	...	7.2	4.1	69.0	87.8	20.2	9.5	17.5	14.2	...	...
1954	70.7	212.3	3.5	21.9	...	...	6.0	5.2	61.6	81.6	21.2	10.9	13.6	11.0	...	...
1955	114.3	193.5	1.8	60.9	—	0.3	7.7	8.0	60.0	89.0	32.4	10.7	26.2	12.8	4.0	7.9
1956	137.9	266.8	2.7	81.2	—	0.9	7.8	6.5	60.6	75.1	23.2	13.5	20.8	14.2	2.1	15.2
1957	151.6	406.6	1.0	98.5	—	1.5	9.6	30.1	56.2	84.3	22.4	11.4	18.1	16.9	2.8	16.4
1958	173.1	264.4	0.7	82.5	—	0.9	7.9	27.0	67.6	73.2	15.8	9.5	14.0	16.8	1.3	13.7
III	182.5	262.2	0.8	74.4	—	0.8	3.6	19.8	68.4	58.6	12.2	9.0	13.5	17.6	1.1	15.3
IV	209.1	218.5	1.1	64.7	—	0.6	8.5	11.9	67.0	85.2	22.7	7.4	16.5	13.2	3.7	13.4
1959																
I	202.2	268.7	0.4	43.1	—	0.4	10.0	20.6	71.6	49.5	21.3	11.5	24.0	14.8	2.1	10.7
II	254.4	292.8	0.4	24.5	0.1	0.2	7.0	22.7	92.3	60.9	19.8	9.6	17.1	20.8	1.6	14.6
III	269.8	278.6	1.7	28.9	—	0.3	5.6	24.4	88.5	60.8	29.2	10.1	30.3	17.1	1.0	13.8
9. American																
1953	26.1	66.2	—	0.5	...	...	0.5	—	2.8	0.2	3.7	0.1	—	—	...	...
1954	50.3	77.2	—	0.3	...	...	0.9	—	3.0	0.7	4.9	0.2	0.1	—	...	...
1955	44.8	60.7	—	0.3	—	—	1.6	—	3.6	0.7	8.1	0.2	0.2	—	—	—
1956	41.0	87.3	—	0.2	—	—	0.9	—	3.8	1.2	4.9	0.4	0.2	—	—	0.4
1957	37.3	77.1	—	—	—	—	1.2	2.8	3.6	0.9	9.2	0.4	0.2	0.1	0.1	0.2
1958	48.4	64.7	—	—	—	—	0.8	0.4	2.6	1.2	5.6	0.3	—	0.1	—	0.6
III	49.0	64.0	—	—	—	—	0.6	—	1.8	1.1	3.9	0.3	—	0.3	—	0.9
IV	51.0	71.1	—	—	—	—	1.3	0.1	2.5	1.9	4.4	0.1	—	—	0.1	0.6
1959																
I	35.6	59.6	—	—	—	—	1.4	—	1.6	1.0	5.5	0.3	0.2	—	—	0.1
II	50.3	83.0	—	0.1	—	—	1.2	—	0.7	1.5	7.5	0.2	0.3	—	—	0.6
III	66.3	84.9	—	1.8	—	—	2.9	—	3.2	0.5	8.6	0.3	—	—	—	0.5
10. Asia																
1953	3.6	50.2	—	3.4	...	...	1.4	0.5	0.2	0.3	15.5	7.4	—	1.0	...	...
1954	8.8	34.0	—	0.7	...	...	1.6	0.5	0.2	0.8	15.3	7.2	—	0.6	...	...
1955	17.2	50.8	—	0.2	—	—	1.4	0.6	0.3	1.3	17.4	7.8	0.1	0.8	—	0.2
1956	10.8	71.6	—	0.1	—	—	0.6	0.6	0.3	1.4	19.8	9.1	0.1	1.0	—	0.1
1957	14.6	109.4	—	—	—	—	0.5	4.6	0.2	2.7	16.1	10.2	0.2	1.2	—	0.1
1958	19.9	65.0	—	0.2	—	—	0.6	0.9	0.2	2.8	11.5	9.0	0.2	1.0	—	0.2
III	21.3	64.9	—	0.5	—	0.1	0.5	0.7	0.3	2.2	10.8	8.3	0.3	0.9	—	0.2
IV	23.9	65.0	—	0.2	—	—	1.4	1.0	0.3	2.7	10.4	7.7	0.1	1.0	—	0.1
1959																
I	17.4	71.3	—	0.9	—	—	1.4	1.1	0.2	1.9	9.7	9.5	0.4	0.9	—	—
II	22.8	86.0	—	2.3	—	—	1.1	0.2	0.1	2.3	13.2	8.7	0.5	1.0	—	0.1
III	35.4	71.1	—	1.8	—	—	2.5	0.9	0.5	3.2	14.9	10.9	0.3	1.0	—	—
11. Europe																
1953	79.0	150.6	0.8	7.4	...	...	37.0	23.4	2.3	6.0	67.3	71.8	39.9	30.3	...	...
1954	122.8	108.4	0.7	10.8	...	...	33.6	32.6	2.4	10.2	70.1	69.6	32.1	22.5	...	...
1955	160.2	147.2	0.5	5.0	—	0.4	38.5	25.9	2.6	12.1	85.3	79.1	35.7	26.7	2.4	3.5
1956	171.2	204.4	0.7	2.2	0.1	1.7	32.4	20.7	4.0	12.4	84.8	87.3	38.8	40.0	0.6	2.3
1957	201.7	280.4	1.2	1.2	0.1	2.0	30.3	37.6	3.8	17.2	78.1	82.3	43.9	35.9	1.4	3.3
1958	199.9	197.8	0.5	1.6	0.1	1.3	24.9	29.4	2.6	14.6	62.2	84.2	38.7	33.0	2.1	3.8
III	181.0	207.9	0.5	2.0	0.1	1.4	19.2	28.5	3.3	14.7	61.0	77.9	37.8	29.3	0.4	3.1
IV	261.8	202.3	0.6	2.1	0.1	0.7	28.3	26.9	2.4	11.9	58.0	84.7	30.1	34.1	1.5	3.9
1959																
I	180.1	227.6	0.2	4.2	0.1	0.7	29.0	20.5	4.2	10.5	57.9	71.0	44.0	30.0	3.7	2.8
II	190.7	286.2	0.2	5.8	0.2	2.2	28.2	16.9	4.6	12.6	66.8	74.5	38.0	31.9	4.5	3.6
III	178.5	179.2	0.6	9.3	0.1	4.6	32.6	25.4	4.4	13.7	70.3	80.2	41.7	29.6	0.4	2.8
12. Sterling area ^e																
1953	47.8	82.1	0.7	3.3	...	...	13.2	6.6	0.6	4.5	26.0	29.0	37.8	19.1	...	...
1954	72.0	60.2	0.6	8.5	...	...	11.6	6.3	0.7	6.7	27.2	21.2	28.0	13.7	...	...
1955	87.3	74.6	1.0	3.8	—	0.2	16.9	5.5	0.7	7.3	25.5	31.7	31.6	17.0	1.9	2.3
1956	99.2	92.2	0.5	1.6	0.1	1.3	13.8	4.6	1.6	7.1	29.1	34.6	34.5	26.6	0.6	1.2
1957	111.0	105.2	1.0	0.9	0.1	1.4	12.0	11.1	1.4	8.2	30.9	31.4	38.0	21.9	1.3	1.5
1958	94.9	78.0	0.3	0.8	0.1	0.9	5.4	10.4	0.6	5.6	23.8	31.9	31.5	21.2	1.8	1.9
III	81.6	80.8	0.4	1.0	0.1	0.9	5.4	11.2	0.6	4.6	24.2	31.2	31.3	19.0	0.3	1.9
IV	102.6	83.9	0.5	1.1	0.1	0.6	4.2	8.8	0.5	5.1	22.7	35.0	24.6	22.2	0.5	2.1
1959																
I	87.8	75.2	0.1	1.4	0.1	0.5	7.5	5.7	1.8	4.0	22.6	29.6	36.7	20.1	3.0	1.9
II	87.4	101.3	—	2.1	0.2	1.1	9.0	4.9	1.6	4.7	23.5	30.6	31.8	18.0	4.2	2.1
III	94.0	119.3	0.4	2.8	0.1	0.5	11.7	3.8	0.8	4.0	25.7	32.4	32.2	17.3	0.4	1.1

a. Figures for trade with the Netherlands are as follows:—

Year	Exp.	Imp.	Year	Exp.	Imp.
1953	48.4	22.4	1958	6.6	7.1
1954	41.8	16.4	1959	6.5	5.7
1955	37.7	17.7	II	5.8	5.3
1956	42.9	22.8	III	2.9	4.2
1957	40.7	19.6	IV	2.9	2.8
1958	7.8	8.3	I	1.9	4.8

c. Figures prior to 1955 for Republic of Korea and 1956 for Thailand are derived from trade returns of partner countries. Totals for geographical and currency areas may not be complete.

d. Imports valued f.o.b.

e. See footnote j to table 15.

EXTERNAL TRADE

17. COMPOSITION OF IMPORTS

	Value (in millions)				Percentage distribution			
	Consumption goods	Materials chiefly for consumption goods	Materials chiefly for capital goods	Capital goods	Consumption goods	Materials chiefly for consumption goods	Materials chiefly for capital goods	Capital goods
ECAFE REGION^a (U.S. dollar)								
1955	3,245	2,862	1,001	1,718	36.8	32.4	11.3	19.5
1956	3,472	3,262	1,513	2,152	33.4	31.4	14.5	20.7
1957	3,953	3,580	2,291	2,915	31.0	28.1	18.0	22.9
1958	3,556	2,977	1,310	2,367	34.8	29.2	12.8	23.2
1959 1st half ^b	1,529	1,676	726	1,201	29.8	32.7	14.1	23.4
BURMA (kips)								
1955	362	170	67	261	42.1	19.7	7.8	30.4
1956	370	195	88	287	39.4	20.7	9.4	30.5
1957	528	301	120	468	37.3	21.2	8.5	33.0
1958	301	121	84	468	30.9	12.4	8.6	40.1
1959 1st half . . . . .	...	...	...	...	...	...	...	...
CAMBODIA (riels)								
1955	1,045	176	160	284	62.8	10.6	9.6	17.0
1956	1,248	165	217	350	63.0	8.3	11.0	17.7
1957	1,191	214	272	368	58.2	10.5	13.3	18.0
1958	1,278	284	328	688	49.6	11.0	12.7	26.7
1959 1st half	472	103	158	208	50.2	10.9	16.8	22.1
CEYLON (rupee)								
1955	890	142	164	233	62.3	9.9	11.5	16.3
1956	1,034	149	140	293	64.0	9.2	8.7	18.1
1957	1,082	194	240	288	60.0	10.7	13.3	16.0
1958	1,088	158	151	319	63.4	9.2	8.8	18.6
1959 1st half	489	99	71	211	56.2	11.4	8.2	24.2
CHINA, Taiwan (new Taiwan dollars)								
1955	536	1,500	206	898	17.0	47.8	6.6	28.6
1956	785	2,195	439	1,377	16.4	45.8	9.1	28.7
1957	710	2,433	469	1,648	13.5	46.3	8.9	31.3
1958	904	2,584	361	1,756	16.1	46.1	6.5	31.3
1959 1st half	481	1,852	237	1,362	12.2	47.1	6.0	34.6
FED. OF MALAYA AND SINGAPORE (Malayan dollar)								
1955	1,905	904	539	474	49.8	23.7	14.1	12.4
1956	2,081	927	576	569	50.1	22.3	13.9	13.7
1957	2,087	979	638	676	47.6	22.4	14.6	15.4
1958	2,100	911	551	534	51.3	22.2	13.5	13.0
1959 1st half	982	524	238	234	49.7	26.5	12.0	11.8
HONG KONG (Hong Kong dollar)								
1955	1,920	1,169	244	387	51.6	31.4	6.5	10.4
1956	2,282	1,317	336	616	50.2	28.9	7.4	13.5
1957	2,588	1,357	405	799	50.3	26.4	7.8	15.5
1958	2,528	1,118	330	617	55.0	24.3	7.2	13.4
1959 1st half	1,153	589	167	308	52.0	26.6	7.5	13.9
INDIA (rupee)								
1955 ¹	1,505 ^c	2,031	556	2,746	22.0	29.7	8.1	40.2
1956 ^d	1,831 ^c	2,204	779	3,883	21.1	25.3	9.0	44.6
1957	3,060 ^c	2,184	1,367	4,670	27.1	19.4	12.1	41.4
1958	2,400 ^c	1,577	1,124	3,541	27.8	18.2	13.0	41.0
1959 1st half	1,019 ^c	896	561	1,952	23.0	20.2	12.7	44.1
INDONESIA (rupiah)								
1955	2,641	1,535	670	1,902	39.1	22.8	9.9	28.1
1956	4,447	1,873	817	2,569	45.8	19.3	8.4	26.5
1957	3,512	1,965	746	2,850	38.7	21.7	8.2	31.4
1958	2,505	1,155	547	1,578	43.3	20.0	9.4	27.3
1959 1st half	861	472	278	667	37.8	20.7	12.2	29.3
JAPAN (yen)								
1955	240,071	457,778	134,706	56,477	27.0	51.5	15.2	6.3
1956	217,498	581,071	283,656	71,973	18.8	50.4	24.6	6.2
1957	228,684	643,824	484,232	175,288	14.9	42.0	31.6	11.5
1958	209,248	547,312	189,225	144,101	19.2	50.2	17.4	13.2
1959 1st half	102,371	312,673	124,399	83,769	16.4	50.2	20.0	13.4
KOREA, Republic of^e (hwan)								
1955	17,032	22,814	2,392	5,971	35.3	47.3	5.0	12.4
1956	15,887	11,528	1,453	5,935	45.6	33.1	4.2	17.1
1957	19,817	11,124	1,975	4,952	52.3	29.4	5.2	13.1
1958	18,386	17,012	2,689	5,477	42.2	39.0	6.2	12.6
1959 1st half	16,077	48,704	12,745	14,124	17.5	53.2	13.9	15.4
LAOS (kips)								
1955	387	63	67	146	58.4	9.5	10.1	22.0
1956	683	125	119	308	55.3	10.1	9.7	24.9
1957	758	144	188	344	52.9	10.0	13.1	24.0
1958	555	86	99	297	53.5	8.3	9.6	28.6
1959 1st half	340	47	61	136	58.2	8.0	10.5	23.3
NORTH BORNEO (Malayan dollar)								
1955	51.2	13.5	5.8	16.7	58.7	15.5	6.7	19.1
1956	65.1	21.3	6.9	22.0	56.5	18.4	6.0	19.1
1957	60.0	23.7	8.2	24.1	51.7	20.4	7.1	20.8
1958	67.5	27.7	7.8	24.8	52.8	21.7	6.1	19.4
1959 1st half	34.7	13.5	7.2	15.5	48.9	19.0	10.2	21.9

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EXTERNAL TRADE

17. COMPOSITION OF IMPORTS (Cont'd)

	Value (in millions)				Percentage distribution			
	Consumption goods	Materials chiefly for consumption goods	Materials chiefly for capital goods	Capital goods	Consumption goods	Materials chiefly for consumption goods	Materials chiefly for capital goods	Capital goods
PAKISTAN^a (rupee)								
1955	206	164	155	412	22.0	17.5	16.5	44.0
1956	270	144	181	382	27.6	14.7	18.5	39.1
1957	871	229	291	706	41.5	10.9	13.9	33.7
1958	741	176	293	678	39.3	9.3	15.5	35.9
1959 1st half	244	63	113	300	33.9	8.7	15.7	41.7
PHILIPPINES^b (peso)								
1955	519	181	125	272	47.3	16.5	11.4	24.8
1956	398	169	132	314	39.3	16.7	13.0	31.0
1957	459	225	120	425	37.3	18.3	9.8	34.6
1958	430	231	85	377	38.3	20.5	7.6	33.6
1959 1st half	132	114	42	180	28.2	24.4	9.0	38.4
SARAWAK (Malayan dollar)								
1955	96.9	305.3	8.7	29.3	22.0	69.4	2.0	6.6
1956	97.5	325.9	9.7	30.1	21.0	70.4	2.1	6.5
1957	94.6	330.8	9.3	27.9	20.4	71.5	2.0	6.1
1958	85.7	312.5	8.7	25.1	19.8	72.3	2.0	5.8
1959 1st half	44.8	156.3	4.8	13.3	20.4	71.3	2.2	6.1
THAILAND (Baht)								
1955	3,554	822	670	2,233	48.8	11.3	9.2	30.7
1956	3,529	913	674	2,489	46.4	12.0	8.9	32.7
1957	3,525	1,026	897	2,993	41.8	12.2	10.6	35.4
1958	3,347	1,005	862	2,933	41.1	12.3	10.6	36.0
1959 1st half	1,672	534	423	1,512	40.4	12.9	10.2	36.5
VIET-NAM, Republic of (piastre)								
1955	5,922	1,285	663	1,342	64.3	13.9	7.2	14.6
1956	4,725	1,057	604	1,231	62.0	13.9	7.9	16.2
1957	5,104	1,724	1,175	2,084	50.6	17.1	11.6	20.7
1958	4,620	1,023	703	1,779	56.9	12.6	8.6	21.9
1959 1st half	1,786	513	446	832	49.9	14.3	12.5	23.3

GENERAL NOTE RELATING TO TABLES 17 AND 18: Total of the four groups of imports or exports do not add up to total imports or exports published in national trade returns, because (1) in a few countries, a small part of the imports or exports (in no case more than 4%) are not included in the commodity trade statistics published by governments, and (2) of rounding. Percentage distribution refers to percentages of the totals of the four groups of commodities.

a. Regional totals in U.S. dollars including all countries listed in the table. Imports of India in fiscal years are added to imports of other countries in calendar years.

b. Excluding Burma.

c. Including imports of cereals on government account.

d. Annual rate based on 9 months April-December.

e. Excluding imports of cereals on government account.

f. Figures for 1955-1958, excluding foreign aid. From 1959 onwards figures including foreign aid.

g. Prior to 1957, figures relating to private account only.

h. f.o.b. value.

18. COMPOSITION OF EXPORTS

	Value (in millions)				Percentage distribution			
	Consumption goods	Materials chiefly for consumption goods	Materials chiefly for capital goods	Capital goods	Consumption goods	Materials chiefly for consumption goods	Materials chiefly for capital goods	Capital goods
FED. OF MALAYA AND SINGAPORE (Malayan dollar)								
1955	723	2,551	669	87	17.9	63.3	16.6	2.2
1956	810	2,349	748	105	20.2	58.6	18.6	2.6
1957	824	2,301	730	125	20.7	57.8	18.3	3.2
1958	785	2,118	507	114	22.3	60.1	14.4	3.2
1959 1st half	355	1,259	256	55	18.4	65.4	13.3	2.9
HONG KONG (Hong Kong dollar)								
1955	1,503	733	92	203	59.4	29.0	3.6	8.0
1956	1,887	803	156	353	59.0	25.1	4.9	11.0
1957	1,933	617	155	311	64.1	20.5	5.1	10.3
1958	2,072	532	108	276	69.3	17.8	3.6	9.2
1959 1st half	1,060	230	65	118	72.0	15.6	4.4	8.0
INDIA (rupee)								
1955 ^a	3,755	1,673	414	51	63.7	28.4	7.0	0.9
1956 ^a	4,093	1,172	447	51	71.0	20.3	7.8	0.9
1957	3,995	1,606	723	51	62.7	25.2	11.3	0.8
1958	3,857	1,277	532	40	67.6	22.4	9.3	0.7
1959 1st half	1,628	679	295	22	62.0	25.9	11.3	0.8
JAPAN (yen)								
1955	344,881	109,389	63,405	204,264	47.7	15.2	8.8	28.3
1956	422,755	115,440	78,690	275,719	47.4	12.9	8.8	30.9
1957	479,637	143,211	67,115	330,615	47.0	14.0	8.8	32.4
1958	477,241	129,267	62,034	358,954	46.5	12.6	6.0	34.9
1959 1st half	244,798	81,361	30,492	196,771	44.2	14.7	5.5	35.6

GENERAL NOTE: See table 17.

a. Annual rate based on 9 months April-December.

EXTERNAL TRADE

19. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958		1 9 5 9			
							III	IV	I	II	III	Oct
BURMA (kyat)												
Food	9.4	10.3	8.0	6.8	10.9	10.2	9.5	11.0	...	...	...	...
Chemicals	4.1	4.6	5.4	7.1	10.3	5.4	4.3	6.5	...	...	...	...
Textiles	24.0	24.1	16.6	22.4	33.0	16.0	14.6	17.3	...	...	...	...
Base metals and manufactures	7.3	9.4	8.4	6.9	14.1	9.8	10.1	9.1	...	...	...	...
Machinery	5.8	7.8	7.3	10.1	12.0	16.2	20.6	12.1	...	...	...	...
Transport equipment	2.0	4.6	5.7	6.3	11.2	6.7	7.2	4.2	...	...	...	...
Other manufactured goods	9.2	11.2	9.3	9.7	13.9	9.3	7.3	9.0	...	...	...	...
CAMBODIA (riel)												
Food	11.2	10.0	15.1	16.5	20.5	22.5	22.2	21.2	21.9	25.7	22.5	13.9
Beverages and tobacco	22.4	22.8	9.0	5.2	6.7	8.0	8.5	7.4	5.2	8.6	4.5	2.7
Mineral fuels	9.8	13.6	11.8	9.9	5.3	3.5	2.2	0.5	19.0	17.5	54.1	18.4
Textiles	24.5	26.9	27.8	33.4	35.0	40.1	42.5	28.2	24.3	15.5	29.3	25.3
Base metals and manufactures	7.8	10.1	15.1	13.6	20.0	23.4	16.9	17.8	27.6	20.2	26.8	33.9
Machinery	4.3	5.6	11.3	16.1	11.9	29.0	25.9	24.0	18.6	13.7	22.8	29.7
Transport equipment	11.8	8.5	8.7	9.7	9.1	22.6	14.0	15.2	9.2	10.0	9.7	9.8
CEYLON (rupee)^a												
Food	64.6	53.8	50.3	56.7	59.4	57.8	69.2	68.8	51.0	49.9	91.2	90.0
Cereals and cereal preparations	43.4	33.0	26.1	28.3	29.0	26.0	33.5	33.8	18.5	20.7	59.4	55.9
Mineral fuels, lubricants and related materials	12.1	9.9	12.0	10.6	18.7	11.8	12.6	14.4	11.5	13.3	14.2	11.8
Chemicals	5.4	6.1	7.6	8.2	10.1	8.7	8.4	10.2	10.2	9.8	12.6	11.9
Textiles	13.5	12.2	11.3	13.4	13.6	15.1	15.4	20.3	15.7	11.4	34.3	20.0
Machinery	7.7	5.7	7.1	8.7	9.5	10.6	10.0	15.2	12.7	12.6	12.9	11.8
Transport equipment	7.0	4.8	5.9	6.9	7.3	8.9	7.1	11.7	12.9	16.0	13.8	11.7
Other manufactured goods	19.3	20.0	21.8	25.1	25.3	24.1	24.8	26.5	28.3	27.4	30.2	32.1
CHINA (Taiwan, new Taiwan dollar)												
Food	35.3	43.7	26.6	42.4	33.6	46.7	73.4	44.3	21.3	58.5	46.8	80.3
Crude materials, inedible, except fuels	52.2	66.9	63.5	92.1	107.4	93.0	107.0	97.9	100.0	173.3	164.7	123.2
Oil-seeds, oil nuts and oil kernels	15.6	17.5	19.0	23.3	25.0	20.4	30.1	16.4	30.3	24.2	38.8	—
Textile fibres, raw	25.7	31.8	31.8	37.1	43.7	41.8	53.4	37.5	26.1	91.8	61.6	76.9
Mineral fuels, lubricants and related materials	10.9	9.3	21.3	26.2	46.3	36.6	30.3	58.5	70.3	31.8	53.9	30.4
Chemicals	33.3	47.6	44.8	75.7	62.1	103.2	88.0	124.7	122.0	140.2	200.5	107.4
Textiles	15.4	6.4	4.4	3.9	3.9	0.9	0.8	1.2	1.0	2.1	2.4	6.1
Base metals and manufactures	23.1	29.0	25.9	45.7	48.0	47.9	50.9	56.4	40.2	105.4	92.9	97.5
Machinery	25.3	33.5	43.8	60.6	74.9	76.2	58.4	123.3	115.8	132.0	164.7	176.4
Transport equipment	11.1	8.6	8.0	14.2	16.6	23.3	20.8	16.5	15.6	38.2	46.7	28.0
Other manufactured goods	34.8	20.0	16.9	26.7	33.4	28.0	30.7	26.3	30.8	51.8	37.3	41.3
FEDERATION OF MALAYA^b (Malayan dollar)												
Food	47.3	35.1	39.8	43.7	44.0	43.8	43.4	45.1	39.0	40.7	45.9	44.8
Cereals and cereal preparations	21.6	12.0	14.5	15.6	15.5	16.2	...	...	...	...	...	...
Crude materials, inedible, except fuels	8.5	11.5	14.1	16.5	17.3	15.2	15.3	15.0	12.8	16.0	17.8	20.4
Metal ores and scrap	3.0	3.9	5.3	5.9	7.3	4.4	...	...	...	...	...	...
Mineral fuels, lubricants and related materials	9.0	9.6	10.5	11.3	12.5	11.2	10.3	11.3	9.3	12.0	10.8	13.1
Textiles	6.8	7.4	8.9	8.3	8.4	7.3	...	...	...	...	...	...
Machinery	9.1	8.2	8.3	10.6	11.7	10.4	...	...	...	...	...	...
Transport equipment	5.2	4.1	6.2	8.6	8.6	7.9	...	...	...	...	...	...
Other manufactured goods	20.5	19.6	23.7	26.8	27.3	22.5	...	...	...	...	...	...
INDIA (rupee)^a												
Food	99.1	80.4	94.6	84.7	162.5	...	...	...	...	...	...	...
Crude materials, inedible, except fuels	74.9	72.7	94.2	99.6	93.5	66.7	61.0	59.7	66.9	88.3	84.9	58.9
Cotton raw and waste	41.5	47.9	44.6	44.7	40.5	25.6	16.8	20.0	20.4	43.7	30.0	10.0
Petroleum and products	66.0	72.5	78.3	90.4	89.6	63.2	60.2	74.2	49.3	52.6	62.4	101.0
Chemicals	33.5	41.9	44.0	49.0	64.0	54.4	60.4	57.9	60.3	79.1	80.3	77.1
Base metals and manufactures	38.6	45.3	69.0	131.2	191.2	125.6	110.7	154.9	111.3	143.0	101.6	118.3
Machinery	65.8	75.7	76.9	127.5	194.1	157.4	138.5	163.1	151.6	165.8	158.0	174.8
Transport equipment	22.2	31.7	56.2	64.4	63.2	49.6	45.4	61.4	50.5	88.7	49.5	33.3
Other manufactured goods	49.3	55.8	68.2	90.8	66.4	43.8	43.0	56.7	47.7	43.8	42.5	35.9
INDONESIA (rupiah)												
Live animals, food products, beverages and tobacco	131.9	96.0	63.3	176.1	131.5	114.8	96.4	133.8	71.9	91.1	80.6	64.0
Chemicals and allied products	40.9	37.0	53.6	55.8	59.8	43.2	31.6	55.7	41.6	51.9	56.3	52.8
Textiles, apparel and footwear	212.9	173.8	175.0	202.0	165.5	101.6	131.0	81.5	69.8	66.6	66.0	120.3
Base metals and manufactures	67.9	63.1	70.4	79.3	110.9	53.4	42.9	49.8	37.6	54.1	70.0	79.3
Machinery and transport equipment	136.3	115.7	102.4	144.6	134.0	88.5	72.8	68.2	54.3	82.1	71.7	95.9

EXTERNAL TRADE

19. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS (Cont'd)

Monthly averages or calendar months

Millions

	1953	1954	1955	1956	1957	1958	1958		1959				
							III	IV	I	II	III	Oct	Nov
IRAN* (rials)													
Food	116.6	127.6	146.3	326.2	370.0	...	...	...	...	...	...	...	...
Sugar	100.8	94.6	78.8	189.1	180.1	...	...	...	...	...	...	...	...
Tea	11.6	25.5	58.6	78.6	137.8	...	...	...	...	...	...	...	...
Chemicals	22.2	30.0	36.0	72.9	131.9	...	...	...	...	...	...	...	...
Textiles	109.6	128.8	117.3	270.4	363.5	...	...	...	...	...	...	...	...
Base metals and manufactures	35.6	48.8	68.7	160.5	288.6	...	...	...	...	...	...	...	...
Machinery	10.5	17.2	27.1	70.7	299.4	...	...	...	...	...	...	...	...
Transport equipment	14.6	80.5	85.1	196.3	236.4	...	...	...	...	...	...	...	...
Other manufactured goods	110.0	134.6	175.9	421.5	324.8	...	...	...	...	...	...	...	...
JAPAN (thousand million yen)													
Food	18.12	19.30	18.34	16.47	17.06	15.66	16.01	14.15	14.13	16.58	14.11	10.12	12.36
Cereals and cereal preparations	12.98	14.66	13.20	11.08	9.36	9.43	9.96	7.47	7.87	10.93	8.52	4.80	6.90
Sugar and sugar preparations	3.79	3.39	3.64	4.02	5.08	3.85	3.39	3.87	4.23	3.09	3.40	2.44	2.90
Crude materials, inedible, except fuels	34.63	33.78	36.77	51.31	60.29	38.98	36.68	36.48	40.98	54.88	54.11	53.21	51.48
Oilseeds, oil nuts & oil kernels	2.41	2.91	4.41	4.01	4.23	4.04	3.96	3.74	5.45	4.42	5.14	3.38	3.40
Crude rubber	1.51	1.30	2.24	2.66	3.05	2.59	2.49	3.02	3.17	4.00	4.86	4.47	4.25
Textile fibres, raw	19.98	18.54	17.57	23.16	23.86	18.23	15.80	15.86	18.38	21.87	16.86	18.26	18.18
Metal ores and scrap	5.20	5.13	5.57	13.70	20.78	7.73	7.48	7.20	8.79	16.33	17.19	16.90	16.33
Mineral fuels, lubricants and related materials	8.66	8.02	8.67	12.38	20.39	15.43	14.92	16.21	14.65	16.89	15.89	20.82	18.48
Chemicals	2.08	1.92	2.41	4.90	5.50	4.99	4.93	5.48	5.94	6.70	6.65	7.50	6.98
Machinery	2.79	3.77	3.29	3.93	7.26	9.11	8.71	8.02	10.57	10.89	7.47	6.04	5.88
Transport equipment	2.03	1.55	0.68	0.92	1.41	1.15	0.97	0.87	1.61	1.27	2.08	2.17	1.13
Other manufactured goods	2.68	2.54	2.41	5.68	15.26	4.42	4.52	4.14	4.60	5.15	6.79	6.39	6.78
KOREA, Republic of (hwan)													
Food	821	276	555	452	922	707	606	702	1,740	471	1,450	1,541	1,341
Cereals and cereal preparations	697	122	78	65	558	198	159	99	1,237	598	784	812	736
Beverages and tobacco	67	126	188	220	224	174	166	152	1	3	—	—	—
Crude materials, inedible, except fuels	103	106	115	120	206	440	426	558	2,935	3,650	3,779	3,558	5,217
Chemicals	306	351	693	370	325	492	492	547	2,884	4,454	6,562	2,795	3,109
Textiles	229	604	1,273	663	345	392	360	389	994	1,116	855	1,167	1,571
Machinery	42	203	276	254	262	309	288	462	1,136	1,186	1,367	2,361	1,452
Transport equipment	21	113	52	79	48	42	38	31	1,004	117	73	32	37
Other manufactured goods	223	461	862	711	711	889	854	1,104	1,684	2,065	1,929	1,710	1,642
LAOS (kip)													
Food	...	...	15.2	18.0	17.0	16.5	12.9	21.0	19.6	17.1	17.6	...	...
Cereals and cereal preparations	...	...	7.4	10.5	6.2	3.4	5.2	3.3	3.5	1.8	1.5	...	...
Petroleum products	...	...	2.3	4.0	4.8	8.5	11.8	9.7	13.8	11.8	16.4	...	...
Chemicals	...	...	2.9	5.6	8.4	4.5	3.8	4.2	3.1	4.0	5.1	...	...
Textiles	...	...	9.1	23.0	26.0	11.6	5.7	5.8	10.9	10.9	12.8	...	...
Machinery	...	...	3.9	6.9	7.8	8.3	7.2	6.4	15.4	6.8	7.5	...	...
Transport equipment	...	...	3.5	12.0	18.7	10.1	9.0	6.6	4.8	4.7	12.8	...	...
Other manufactured goods	...	...	11.5	24.6	28.1	16.5	9.5	16.6	14.5	47.9	155.6	...	...
NORTH BORNEO (Malayan dollar)													
Food	1.51	1.46	1.89	2.54	2.33	2.53	2.53	2.73	2.23	2.34	2.59	...	...
Mineral fuels, lubricants and related materials	...	0.48	0.44	0.51	0.48	0.40	0.41	0.56	0.37	2.36	1.35	...	...
Chemicals	...	0.24	0.32	0.41	0.44	0.44	0.50	0.43	0.53	0.52	0.64	...	...
Textiles	0.38	0.46	0.53	0.89	0.55	0.47	0.46	0.46	0.39	0.54	0.49	...	...
Machinery	0.70	0.70	0.57	0.68	0.89	0.96	1.08	1.11	1.36	1.34	1.73	...	...
Transport equipment	0.16	0.25	0.24	0.51	0.45	0.51	0.48	0.40	0.53	0.59	0.50	...	...
Other manufactured goods	...	1.17	1.59	2.01	2.02	1.96	2.05	2.03	1.84	2.34	2.25	...	...
PAKISTAN (rupees)													
Mineral oils	8.3	8.3	9.5	8.3	7.4	7.3	4.7	9.9	8.8	7.6	17.3	19.8	25.8
Chemicals	3.1	6.5	7.0	8.5	10.5	10.8	10.5	11.9	7.3	4.8	9.2	13.6	14.3
Iron and steel manufactures	4.9	5.6	8.3	15.5	18.8	19.7	15.2	20.0	19.0	11.8	8.8	14.0	15.1
Machinery	10.0	22.9	20.8	26.3	26.5	26.2	25.8	28.0	31.4	23.3	27.6	22.8	26.6
Transport equipment	2.1	3.7	4.1	7.7	9.5	10.7	9.5	5.3	9.1	6.8	9.8	14.0	9.8
PHILIPPINES (peso)													
Food	12.8	13.2	17.1	14.7	18.1	19.6	19.8	24.2	9.6	10.2	12.2	...	...
Cereals and cereal preparations	3.6	4.3	6.2	4.4	6.3	8.7	10.4	10.2	4.4	2.2	3.6	...	...
Mineral fuels, lubricants and related materials	8.1	9.0	9.0	8.7	9.6	10.2	9.1	11.3	8.6	9.7	10.1	...	...
Chemicals	6.4	6.4	7.3	6.5	9.5	8.1	7.0	11.8	8.1	10.0	9.2	...	...
Textiles	12.5	13.7	14.2	9.9	13.1	9.5	6.8	9.7	5.5	8.2	6.8	...	...
Machinery	9.0	10.3	12.4	16.1	18.0	16.0	13.3	14.5	15.0	18.7	18.1	...	...
Transport equipment	3.6	4.2	5.0	4.8	5.6	4.8	4.2	4.7	3.6	5.2	5.0	...	...
Other manufactured goods	19.1	19.8	21.7	20.1	24.9	19.9	18.2	19.2	15.1	19.8	21.0	...	...
SARAWAK (Malayan dollar)													
Food	3.64	3.85	4.32	4.36	4.57	4.04	4.49		3.94		...	...	...
Mineral fuels, lubricants and related materials	22.44	22.40	24.93	26.80	27.38	25.87	26.20		25.93		...	...	...
Chemicals	0.53	0.70	0.82	0.79	0.80	0.83	0.92		0.82		...	...	...
Textiles	...	0.57	0.61	0.54	0.47	0.42	0.43		0.59		...	...	...
Machinery	1.08	1.19	1.21	1.20	1.20	1.03	1.19		1.26		...	...	...
Transport equipment	0.36	0.36	0.37	0.45	0.38	0.36	0.33		0.30		...	...	...
Other manufactured goods	...	2.10	2.37	2.38	2.13	2.00	2.11		2.90		...	...	...

EXTERNAL TRADE

19. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS (Cont'd)

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958		1 9 5 8				Nov
							III	IV	I	II	III	Oct	
SINGAPORE (Malayan dollar) ^f													
Food	51.1	44.7	45.2	50.5	50.0	53.2	54.4	42.3	43.8	53.1	43.7	58.7	52.1
Cereals and cereal preparations	17.9	11.7	11.7	13.3	12.1	15.9	18.7	8.5	7.8	15.2	9.7	13.9	12.1
Crude materials, inedible, except fuels	32.7	38.7	59.5	54.9	57.0	50.8	42.8	52.2	56.1	74.8	74.3	81.9	84.6
Crude rubber	24.4	27.8	51.0	46.4	45.6	41.2	35.0	42.9	44.7	63.2	65.1	72.3	78.4
Mineral fuels, lubricants and related materials	44.7	43.7	50.0	59.1	65.2	55.8	50.2	45.5	54.5	45.9	54.4	49.3	58.3
Textiles	14.9	12.7	17.9	17.9	17.6	22.0	17.8	23.0	20.0	19.2	15.4	15.0	18.3
Machinery	7.6	7.9	10.3	12.2	13.5	12.3	11.3	13.7	9.9	11.8	12.6	10.1	12.1
Transport equipment	6.0	4.9	6.2	7.6	9.0	7.8	7.3	7.0	5.0	6.5	6.8	4.9	6.0
Other manufactured goods	24.2	25.7	30.2	34.1	37.7	33.3	31.3	31.1	30.0	33.5	31.3	26.8	31.3
THAILAND (baht)													
Food	52.5	53.3	51.5	55.2	57.8	65.1	64.9	64.8	53.6	54.4	65.9	52.9	56.3
Mineral fuels, lubricants and related materials	39.3	47.5	57.0	64.6	77.3	75.1	68.1	71.8	73.5	65.2	74.5	87.8	82.1
Chemicals	28.2	43.9	48.1	54.5	62.8	63.1	61.0	66.8	67.4	84.5	77.2	63.3	66.1
Textiles	93.4	105.0	113.4	120.3	113.7	102.0	93.3	98.1	109.9	103.6	108.4	122.9	97.1
Machinery	67.1	71.1	65.3	73.8	85.2	93.6	75.2	81.3	85.8	115.2	134.1	139.7	118.2
Transport equipment	46.7	44.6	48.7	53.1	73.7	61.4	58.5	50.7	47.0	60.9	55.2	55.5	55.0
Other manufactured goods	151.0	168.7	191.1	173.8	189.7	184.1	149.7	159.5	173.2	195.9	154.3	147.1	158.2
VIET-NAM (piastre) ^g													
Food	111.1	122.0	89.6	82.2	75.9	69.5	71.0	67.0	60.0	71.7	56.5	46.0	66.1
Petroleum and products	32.0	41.0	33.7	35.0	44.6	46.8	46.5	60.5	44.5	56.8	49.1	—	66.0
Textiles	231.4	190.1	111.2	123.5	128.7	108.5	83.6	108.2	74.9	71.6	64.7	62.1	68.1
Machinery	71.7	76.2	65.4	49.2	83.9	63.0	63.1	67.2	50.8	70.1	78.1	96.4	83.1
Transport equipment	47.2	49.3	52.3	32.6	58.3	53.4	64.1	37.2	31.9	35.9	45.5	52.9	40.1

GENERAL NOTE: See table 15.

a. 1953 and 1954 figures for Ceylon, 1953 to 1956 figures for India, reclassified by ECAFE secretariat, may not conform exactly to the new classification beginning from 1955 and 1957 respectively.

b. Including trade with Singapore.

c. Including imports of cereals on government account.

d. Figures prior to 1956, relating to private account only. From 1956 onwards figures including government account.

e. Imports valued f.o.b.

f. Excluding trade with the Federation of Malaya.

g. See footnote j to table 15.

20. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958		1 9 5 8					
							III	IV	I	II	III	Oct	N	
BURMA (kyat)														
Rice and products	70.7	79.4	68.1	72.3	66.7	57.0	54.6	46.1	46.5	60.0	...	...
Natural rubber	2.0	2.4	2.7	3.7	3.1	...	1.4	...	...	...	...	...
Teak	2.4	2.0	1.8	2.8	5.6	...	4.1	...	...	...	...	...
Raw cotton	5.1	4.2	3.2	4.3	2.1	1.3	2.1	0.3	0.9	...	...	...
Base metals and ores	4.6	3.8	4.9	5.2	3.9	...	1.3	...	...	...	...	...
CAMBODIA (riel)														
Rice	38.5	69.5	9.3	20.6	55.8	64.6	39.8	24.0	23.9	123.3	57.8	19.2	63.1	
Maize	8.0	16.9	12.5	15.9	14.8	18.7	18.0	37.1	5.4	11.9	10.4	19.0	97.2	
Natural rubber	25.8	34.3	51.1	42.2	47.7	51.2	62.6	67.8	53.2	40.5	97.2	4.6	63.9	
CEYLON (rupee)														
Tea	68.8	93.6	99.5	87.0	85.1	94.2	115.8	97.9	78.8	81.9	90.2	92.8	107.0	
Coconut and products	20.5	18.2	19.0	18.0	13.3	13.6	18.2	18.2	17.4	18.8	22.5	27.4	22.1	
Natural rubber	28.1	23.8	29.2	24.4	25.0	21.5	19.0	25.1	24.4	29.2	20.6	33.8	38.1	
CHINA (Taiwan, new Taiwan dollar)														
Rice	17.4	9.4	37.3	34.4	37.0	54.4	—	63.7	92.9	99.6	—	—	123.3	
Fruits, fresh, dried and preserved	8.1	10.7	12.3	18.4	16.2	26.3	35.7	20.6	29.0	58.5	45.2	49.7	37.7	
Tea	8.8	12.1	7.0	10.2	11.8	13.1	20.4	12.7	14.2	19.2	13.3	30.4	55.7	
Sugar	111.2	70.2	79.6	127.6	191.0	166.8	151.0	94.3	309.8	257.0	81.3	119.5	164.3	
FEDERATION OF MALAYA^a														
(Malayan dollar)														
Rubber	74.7	75.3	132.0	114.8	108.7	99.8	97.1	118.2	122.2	122.9	154.1	175.1	168.4	
Iron ore	1.7	1.8	2.7	4.3	5.5	5.2	7.8	4.5	3.5	10.8	11.7	9.9	5.2	
Vegetable oils	7.2	7.2	7.2	8.3	7.7	7.3	8.1	7.3	4.8	7.2	8.0	8.3	8.1	
Tin	18.4	18.4	19.3	28.4	26.6	19.7	17.7	18.9	23.6	20.8	24.5	34.7	28.1	
INDIA (rupee)^b														
Food	118.7	144.8	131.2	157.6	149.3	160.3	192.6	213.4	120.2	105.3	191.0	208.8	225.4	
Tea	85.9	109.4	94.3	118.5	102.8	113.8	141.7	158.2	67.0	55.3	133.1	149.3	187.7	
Spices	14.5	12.0	8.8	7.7	7.0	7.4	6.9	7.9	6.8	5.5	7.8	11.4	18.1	
Crude materials, inedible, except fuels	86.3	73.2	98.3	84.2	103.8	85.1	92.7	76.3	96.8	95.8	96.8	95.2	96.3	
Hides and skins, undressed	4.9	5.7	5.6	5.1	5.8	6.0	5.2	6.9	8.8	8.1	8.5	6.9	11.1	
Cotton raw and waste	16.7	15.4	28.9	20.9	15.6	17.7	21.5	16.4	16.0	13.0	15.9	7.0	8.3	
Vegetable oils	7.9	7.4	31.2	17.4	9.5	6.2	7.0	4.6	4.1	9.9	11.4	11.0	18.1	
Chemicals	4.4	4.7	4.1	4.5	4.6	3.7	3.6	4.2	3.7	3.4	4.8	4.6	4.5	
Leather and manufactures	21.2	18.2	19.0	18.7	18.1	15.3	16.4	15.5	17.5	23.9	27.0	28.2	26.3	
Cotton yarn and fabrics	53.1	59.7	53.0	51.9	57.2	43.9	40.3	50.0	46.0	38.0	60.7	71.4	72.5	
Jute yarn and fabrics	92.0	101.2	102.9	94.6	49.8	49.6	60.9	49.2	55.7	50.6	59.6	52.0	58.7	
Other manufactured goods	30.9	29.3	31.3	30.9	109.7	81.1	91.0	70.9	65.1	68.8	81.4	108.1	81.4	

EXTERNAL TRADE

20. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS (Cont'd)

Monthly averages or calendar months

Millions

	1953	1954	1955	1956	1957	1958	1958		1 9 5 9					
							III	IV	I	II	III	Oct	Nov	
INDONESIA (rupiah)														
Tea	22.5	37.9	29.7	28.1	28.4	23.6	24.5	22.1	13.2	26.7	16.3	18.2	15.3	
Copra	61.8	55.1	40.4	42.8	40.5	19.9	13.7	32.8	28.5	24.1	12.5	44.3	51.8	
Natural rubber	259.1	257.6	410.0	335.7	331.9	248.2	286.1	339.0	271.9	409.9	398.1	522.4	456.7	
Tin ore	77.0	58.4	56.9	60.5	46.4	33.7	31.0	33.2	25.4	35.8	29.2	35.7	62.7	
Petroleum and products	194.4	215.8	205.0	213.3	278.9	268.2	271.0	291.7	169.9	420.0	215.3	39.3	16.3	
INDONESIA (rials)														
Fruits, fresh, dried and preserved	91.6	125.5	97.8	113.2	124.7	...	...	...	...	...	...	...	...
Raw cotton	171.0	215.2	139.5	139.7	160.4	...	...	...	...	...	...	...	...
Petroleum and products	21.9	167.3	783.8	1,325.7	1,608.1	...	...	...	...	...	...	...	...
Carpets, hand made	111.6	104.6	104.7	105.3	123.2	...	...	...	...	...	...	...	...
JAPAN (thousand million yen)														
Food	3.72	3.92	3.98	5.32	5.36	6.92	6.79	10.06	6.78	5.54	8.42	11.30	8.02	
Fish and fish preparations	1.82	2.23	2.27	3.62	3.66	5.13	5.11	7.99	4.71	3.41	5.99	9.13	4.92	
Crude materials, inedible except fuels	2.09	2.50	2.94	2.86	2.79	2.27	2.03	2.89	2.09	2.97	3.80	4.55	3.96	
Textile fibres, raw	1.42	1.54	1.74	1.65	1.74	1.13	0.93	1.62	1.03	1.58	2.44	3.21	2.78	
Chemicals	1.87	2.37	2.82	3.21	3.79	4.13	3.59	3.79	5.89	4.85	4.38	5.31	4.02	
Textiles	11.27	16.50	17.55	20.81	24.44	21.17	19.18	22.79	19.50	21.63	22.48	24.04	24.03	
Base metals and manufactures	5.62	7.51	11.61	10.24	9.70	11.15	10.09	12.94	10.25	11.57	11.84	13.35	13.78	
Machinery	2.14	3.86	3.83	5.07	6.21	7.08	7.30	9.00	7.39	10.08	11.81	15.99	14.40	
Transport equipment	3.52	2.20	3.57	9.56	12.75	11.91	10.04	10.76	12.82	13.00	12.62	17.69	9.12	
Other manufactured goods	6.82	9.22	12.97	16.76	20.12	20.10	21.81	22.31	19.64	26.53	29.62	30.92	29.72	
KOREA, Republic of (hwan)														
Food	52	67	43	58	152	159	53	404	206	428	122	96	142	
Crude materials, inedible except fuels	235	427	566	842	586	590	623	739	520	1,100	863	289	650	
Chemicals	16	32	47	36	24	1	2	1	8	8	11	23	8	
Manufactured goods	18	26	65	108	169	165	189	153	61	215	172	176	196	
LAOS (kip)														
Wood and lumber . . . . .	...	...	1.00	0.28	0.13	0.58	1.62	0.23	0.11	0.22	3.00	...	...
Tin ore . . . . .	...	...	0.75	1.34	1.50	1.60	1.20	2.48	1.20	3.15	1.86	...	...
Gums and resins . . . . .	...	...	0.59	0.74	0.63	0.49	0.34	0.30	0.17	0.50	0.30	...	...
Plants for use in medicine and perfumery . . . . .	...	...	0.09	0.24	0.13	0.58	...	0.84	0.32	2.30	0.42	...	...
NORTH BORNEO (Malayan dollar)														
Copra	0.73	1.15	1.18	1.94	2.00	2.68	2.99	2.88	2.44	2.74	3.19	...	...
Rubber	1.95	2.03	3.84	3.36	3.10	2.74	2.96	3.04	3.32	3.36	3.98	...	...
Timber	1.03	1.46	1.81	2.18	2.63	3.03	3.32	2.99	2.93	4.80	6.11	...	...
PAKISTAN (rupee)^c														
Tea	2.9	3.9	2.9	4.5	2.0	2.8	4.1	4.4	0.6	0.1	3.1	4.4	5.2	
Raw jute	47.6	45.4	58.0	62.6	65.2	70.0	32.4	83.2	60.3	42.4	41.7	76.6	93.4	
Raw cotton	52.7	29.1	33.6	30.3	27.6	20.0	22.5	14.0	14.0	13.0	8.5	7.4	2.4	
Raw wool	4.3	3.5	5.6	5.9	8.6	4.0	4.8	4.9	5.5	6.7	3.7	5.8	2.8	
Rides and skins	3.3	2.8	2.6	3.3	3.4	3.4	4.2	3.7	3.3	5.6	5.7	9.4	4.7	
PHILIPPINES (peso)														
Coconut and coconut preparations	26.3	27.4	25.4	29.3	28.8	30.0	35.0	34.0	24.1	26.6	42.1	...	...
Sugar and related products	17.0	18.4	18.6	17.6	14.9	19.5	16.2	12.6	19.2	26.4	14.9	...	...
Films and manufactures	7.2	4.9	5.1	6.5	7.1	4.9	5.3	4.9	5.6	7.1	6.5	...	...
Minerals and metals	5.9	5.9	6.7	9.2	8.7	6.2	6.7	9.0	6.7	10.1	12.1	...	...
Logs, lumber and timber	4.8	5.9	6.9	8.1	7.5	11.6	13.2	14.2	9.8	16.9	19.1	...	...
BRUNAWAK (Malayan dollar)														
Pepper	4.12	3.64	2.64	2.05	1.44	1.26	1.66	...	0.94	...	...	...	...
Rubber	2.64	2.87	6.64	5.86	6.20	5.11	6.06	...	6.20	...	...	...	...
Timber, sawn and logs	1.16	1.16	1.83	1.59	1.63	1.63	1.63	...	2.12	...	...	...	...
Mineral fuels, lubricants and related materials	24.42	24.46	26.74	28.85	30.51	27.83	29.58	...	29.22	...	...	...	...
SINGAPORE (Malayan dollar)^d														
Rubber	61.8	66.2	115.9	102.0	95.5	85.8	82.0	98.2	101.7	117.0	134.6	140.8	158.2	
Mineral fuels	28.6	29.4	31.2	36.2	36.9	30.2	24.6	25.8	23.9	31.5	27.0	26.9	21.8	
Vegetable oils	2.8	4.5	3.9	3.9	4.7	3.6	4.0	4.2	2.6	3.0	3.5	4.2	3.3	
Tin	14.4	16.3	16.9	11.6	11.1	4.0	3.9	1.0	0.7	0.5	0.2	0.1	0.1	
SIAM (baht)^e														
Rice	312.2	257.2	261.1	238.4	301.9	248.0	224.4	142.3	236.9	229.5	182.3	166.5	200.5	
Natural rubber	62.6	92.4	150.2	127.2	117.2	110.6	115.8	111.3	207.9	137.3	221.7	224.1	233.0	
Teak	11.1	17.6	22.0	25.5	21.8	19.9	19.9	23.8	17.7	16.7	20.3	25.4	21.9	
Tin ore and concentrates	25.0	31.1	36.7	42.3	44.3	21.2	23.0	23.0	23.0	26.7	51.5	32.1	25.4	
SIAM (piastre)^f														
Rice and products	52.5	64.2	26.2	1.1	59.3	40.6	1.4	2.5	44.0	58.9	100.1	43.6	64.7	
Natural rubber	70.5	68.7	122.7	107.0	140.8	103.5	93.3	150.3	86.6	97.3	143.3	132.3	192.2	

GENERAL NOTE: See table 15.

a. Including trade with Singapore.
 b. Figures for 1953 to 1956 reclassified by ECAFE Secretariat, may not conform exactly to the new classification from 1957.
 c. Figures prior to 1956, relating to private account only. From 1956 onwards figures including government account.

d. Excluding trade with the Federation of Malaya.

e. Baht value is obtained by converting foreign currencies at free market buying rate.

f. See footnote j to table 15.

21. QUANTITY OF EXPORTS OF MAJOR COMMODITIES

EXTERNAL TRADE

Monthly averages or calendar months

Thousand tons

	1952	1953	1954	1955	1956	1957	1958	1958		1959				
								III	IV	I	II	III	Oct	
RICE														
Burma	109.4	86.9	129.6	141.5	162.1	155.7	127.7	116.8	111.8	106.9	133.2	188.3	243.8	Imports
Cambodia	17.5	11.5	24.7	8.4	5.8	19.2	21.2	12.9	8.5	8.8	33.1	17.9	7.8	Exports
China (Taiwan)	8.8	4.9	3.0	14.2	9.1	10.1	14.9	—	17.5	17.5	18.8	—	—	Imports
Thailand	129.0	113.3	83.5	102.6	105.1	130.8	88.8	83.3	52.7	93.2	93.0	79.2	77.9	Imports
Viet-Nam ^a	12.8	8.6	14.6	6.8	0.4	15.7	9.8	0.4	0.7	12.3	14.2	30.3	14.1	Imports
SUGAR														
China (Taiwan)	38.3	72.9	43.5	48.8	50.0	62.4	68.1	62.9	42.4	95.8	83.0	25.6	39.1	Imports
India	—	—	—	—	—	16.4	7.0	8.3	10.6	5.4	7.7	2.6	1.0	Imports
Indonesia	0.1	7.8	17.7	14.7	14.1	12.2	7.4	19.4	4.5	—	—	1.4	18.1	Imports
Philippines	66.1	64.3	72.4	77.2	71.9	59.3	80.8	67.2	57.6	77.7	111.1	59.2	10.5	Imports
TEA														
Ceylon	11.9	12.8	13.6	13.6	13.2	13.3	14.3	17.2	14.3	13.2	15.8	15.1	14.8	Imports
China (Taiwan)	0.8	0.9	1.3	0.6	0.9	1.0	1.0	1.5	1.0	0.8	1.4	0.8	2.1	Imports
India	15.5	18.8	16.8	13.6	19.5	16.5	18.9	21.4	25.4	12.0	9.3	21.7	24.9	Imports
Indonesia	2.7	2.4	3.4	2.4	2.9	3.0	2.9	3.0	2.8	1.8	3.5	2.1	2.3	Imports
Japan	0.8	1.1	1.4	1.2	0.9	0.9	0.6	0.9	0.5	0.4	0.7	0.9	0.6	Imports
Pakistan	0.9	1.0	0.8	0.4	0.8	0.3	0.4	0.6	0.7	—	—	0.6	1.0	Imports
HIDES & SKINS														
India (tons)	1,193†	956†	1,220†	1,174	1,048	1,083	1,003	928	1,096	1,151	1,100	1,032	763	Imports
Pakistan (thousand pieces)	719	898	811	749	878	856	887	1,121	998	662	1,138	963	1,654	Imports
COPRA^b & COCONUT OIL														
Ceylon	11.2	9.1	8.3	11.8	10.3	6.4	5.2	6.9	7.8	7.8	8.0	7.1	10.5	Imports
Federation of Malaya ^{c,d} (coconut oil)	3.6	4.0	3.7	4.8	6.0	4.7	3.4	3.8	2.7	0.8	2.0	2.1	2.5	Imports
Indonesia (copra)	18.3	16.3	15.8	12.5	13.8	15.4	6.2	3.7	9.3	6.7	5.3	2.1	9.9	Imports
N. Borneo	0.6	0.7	1.4	1.9	3.2	3.4	3.7	3.5	3.7	2.5	2.7	3.8	—	Imports
Philippines	41.9	36.6	45.5	48.4	59.8	57.6	50.0	57.9	54.3	32.3	32.0	60.5	—	Imports
Singapore (coconut oil) ^e	2.0	1.1	3.0	2.9	2.7	3.7	2.3	2.4	2.0	0.9	1.0	1.5	2.4	Imports
PALM OIL														
Federation of Malaya ^{c,d}	1.2	1.9	2.2	2.2	2.2	2.9	3.8	3.7	5.0	3.8	3.7	4.5	4.2	Imports
Indonesia	10.4	11.3	11.7	10.5	10.4	10.8	11.0	13.7	14.0	7.5	7.5	8.2	10.9	Imports
Singapore ^e	2.7	2.2	2.1	2.3	2.4	1.9	1.9	2.2	2.7	1.8	2.4	1.9	1.8	Imports
GROUND NUTS^b & OIL														
India	5.6	1.7	2.5	14.8	2.8	0.4	0.6	0.8	1.0	4.0	3.5	1.1	2.1	Imports
NATURAL RUBBER														
Brunei	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	Imports
Burma	1.2	0.9	1.0	1.0	1.0	1.1	0.9	1.0	1.0	1.0	1.0	1.0	1.0	Imports
Cambodia	1.4	1.5	2.0	2.2	2.4	2.6	2.8	2.3	2.9	2.7	1.8	3.4	2.6	Imports
Ceylon	7.6	8.2	7.6	8.2	7.3	8.0	7.7	8.9	8.1	9.7	7.0	6.9	5.7	Imports
Federation of Malaya ^{c,d}	28.3	27.5	35.3	37.9	36.6	38.9	39.0	37.1	42.8	45.3	40.0	46.1	50.1	Imports
Indonesia	61.8	57.1	61.7	61.1	56.6	58.4	50.5	61.5	64.2	48.6	64.9	57.1	71.1	Imports
N. Borneo	1.6	1.4	1.4	1.7	1.7	1.7	1.5	1.5	1.8	1.9	1.7	1.9	2.4	Imports
Sarawak	2.7	2.0	1.9	3.3	3.5	3.3	3.3	3.7	3.6	2.7	3.5	4.6	4.8	Imports
Singapore ^e	20.1	20.7	13.1	15.6	15.7	16.1	17.2	20.3	19.9	27.3	17.1	20.7	25.2	Imports
Thailand	8.3	8.1	9.9	11.0	11.3	11.3	11.6	12.2	10.1	17.8	10.2	15.7	15.6	Imports
Viet-Nam, Republic of	5.3	5.0	4.6	5.2	5.3	6.1	5.7	6.2	6.9	5.7	4.5	7.6	5.3	Imports
COTTON, RAW														
India	4.4	3.8	2.3	7.9	5.9	3.4	6.1	7.4	5.7	6.2	4.7	5.7	1.8	Imports
Iran ^f	0.6	2.1	3.0	3.7	3.2	3.3	3.8	—	2.7	—	5.5	—	—	Imports
Pakistan	20.4	23.6	11.8	14.0	10.9	9.6	8.1	9.4	6.4	6.1	5.8	3.7	3.5	Imports
COTTON YARN (tons)														
Federation of Malaya and Singapore ^g	119	113	54	9	44	11	43	97	60	33	10	349	168	Imports
Hong Kong	1,300	1,190	1,172	1,228	1,183	1,262	1,166	1,236	1,429	873	1,338	1,320	1,298	Imports
Japan	1,117	801	1,117	991	1,032	1,217	936	864	645	920	836	913	907	Imports
COTTON PIECE GOODS (million sq. metres)														
Federation of Malaya and Singapore ^g	9.6	8.0	2.7	5.0	4.5	4.5	4.2	3.6	4.3	3.1	4.1	2.6	2.2	Imports
Hong Kong	10.1	9.3	11.3	11.5	9.8	13.7	15.4	18.2	23.5	14.4	17.6	16.7	18.3	Imports
India (million metres)	45.7	50.0	65.6	56.9	56.7	67.1	47.4	43.7	49.4	49.6	47.9	68.6	87.1	Imports
Japan	52.0	63.7	89.0	79.3	87.9	102.3	86.8	77.3	92.3	81.2	82.2	87.4	89.0	Imports
JUTE														
Pakistan (raw)	70.0	81.7	74.3	81.8	71.5	65.4	75.5	35.5	92.6	66.9	52.1	54.0	93.0	Imports
India (bag and cloth)	60.0	60.3	67.8	79.6	67.9	65.9	58.3	70.3	61.0	63.0	62.2	81.7	70.4	Imports
HEMP, RAW														
Philippines	9.1	9.3	8.2	9.3	10.2	9.6	8.4	8.2	10.5	8.2	9.1	7.6	—	Imports
TIN CONCENTRATES (tons)														
Burma	118	83	52	79	71	72	112	126	131	98	73	149	122	Imports
Indonesia	2,929	2,771	2,874	2,689	2,638	2,318	1,553	1,531	1,229	1,247	1,511	1,565	1,591	Imports
Thailand	825	863	806	935	1,052	1,130	548	608	572	552	651	1,195	794	Imports
TIN METAL (tons)														
Federation of Malaya ^{c,d}	3,140	2,955	3,134	3,204	4,399	4,252	3,212	2,862	3,070	3,647	3,127	3,678	5,262	Imports
Singapore ^g	2,286	2,274	2,816	2,821	1,806	1,763	667	632	157	111	47	23	16	Imports
PETROLEUM & PRODUCTS														
Brunei (crude oil)	423	406	398	433	469	455	421	431 ^r	449 ^r	444 ^r	454	458	—	Imports
Federation of Malaya and Singapore ^g	204	225	235	268	239	206	172	147	145	149	202	183	198	Imports
Indonesia	617	815	827	808	877	1,301	1,122	1,115	1,238	501	1,848	762	138	Imports

a. Beginning June 1955, Republic of Viet-Nam only.

b. In terms of oil equivalent.

c. Net exports.

d. Excluding movements between Singapore and Federation of Malaya.

e. Excluding Federation of Malaya rubber transhipped at Singapore.

f. Prior to 1958, annual data: 12 months ending 21 July of year stated.

EXTERNAL TRADE

22. INDEX NUMBERS OF QUANTUM, UNIT VALUE AND TERMS OF TRADE
1953=100^a

	1951	1952	1954	1955	1956	1957	1958	1958		1959				
								III	IV	I	II	III	Oct	Nov
A. Quantum														
AFRICA														
Imports	69†	104	123	104	88	132	82	70	91	80	140	...	...	...
Exports	113†	115	130	145	163	152	117	119	90	119	146	198	...	...
ASIA														
Imports: General	94	96	99	97	106	112	113	129	141	111	107	150	159	111
Exports: General	93	97	103	109	104	99	107	130	119	98	99	111	118	123
Imports (Central Bank index)	99	99	93	96	105	111	112	124	137	113	102	154	153	113
Consumer goods	95	98	89	95	106	107	115	132	144	107	95	157	160	102
Capital goods	109	104	103	104	102	125	102	101	116	137	129	151	133	149
CHINA (Taiwan)														
Imports (ordinary and ICA)	...	81	105	98	94	102	113	117	133	100	130	156	131	117
Exports	...	67	69	86	83	97	118	109	91	145	142	56	83	128
FEDERATION OF MALAYA and SINGAPORE ^c														
Imports	131	116	110	128	140	139	139	129	141	129	145	137	...	...
Exports	128	109	110	118	127	130	130	125	126	124	126	135	...	...
INDIA ^d														
Imports	...	108	118	125	147	168	151	115	146	134	162	153	146	...
Exports	...	100	105	115	110	119	108	120	118	105	102	130	142	...
JAPAN ^e														
Imports: General	67	74	104	109	138	172	142	144	144	155	189	178	182	175
Exports: General	87	92	133	174	208	232	240	227	269	250	267	289	332	286
PHILIPPINES														
Imports ^g	100	90	111	125	123	137	121	108	135	91	108	107	...	...
Exports	96	107	111	121	138	129	140	145	151	121	158	175	...	...
THAILAND														
Imports	66	82	103	110	113	121	118	110	115	113	129	128	128	125
Exports	106	102	96	113	119	131	110	101	93	124	109	123	119	137
VIET-NAM ^f														
Imports	75	103	113	90	77	95	82	80	86	68	87	85	74	89
Exports	153	123	113	132	85	155	122	91	137	106	133	197	137	205
B. Unit Value														
AFRICA														
Imports	129†	115	93	89	82	91	98	101	94	83	83	...	...	...
Exports	74†	94	77	62	62	57	62	60	60	60	57	56	...	...
ASIA														
Imports: General	102	110	88	89	99	96	83	86	86	84	89	89	87	88
Exports: General	126	98	112	117	109	104	102	99	102	103	108	105	112	112
Imports (Central Bank index)	101	108	92	86	90	85	87	88	89	86	90	88	86	86
Consumer goods	99	107	91	84	85	89	81	82	85	82	86	86	83	83
Capital goods	107	113	95	97	107	114	105	103	100	96	101	98	98	99
CHINA (Taiwan)														
Imports (ordinary and ICA)	...	111	108	111	106	110	106	105	107	102	104	97	94	94
Exports	...	113	105	110	105	116	100	93	98	91	90	85	83	94
FEDERATION OF MALAYA and SINGAPORE ^c														
Imports	120	108	90	92	91	96	91	89	90	89	91	96	...	...
Exports	172	125	94	120	110	105	95	94	102	102	114	119	...	...
INDIA ^d														
Imports	...	109	97	97	99	107	100	110	101	100	98	88	96	...
Exports	...	109	107	98	102	102	101	103	102	99	98	100	97	...
INDONESIA														
Imports	116	110	91	91	88	87	92	100	93	108	80	78	...	...
Exports	160	113	96	109	102	98	90	88	91	99	92	110	...	...
JAPAN ^e														
Imports	124	114	96	94	97	103	89	84	83	84	83	84	82	82
Exports	122	108	96	91	94	97	94	95	93	91	96	96	98	96
INDONESIA, Republic of (1957=100)														
Imports	...	...	...	...	...	100	92	90	88	87	86	85	86	85
Exports	...	...	...	...	...	100	82	81	83	84	87	92	96	97
KHESIAN ^g														
Imports	116	102	98	105	112	124	136	140	135	140	130	...	...	...
Exports	194	142	107	104	98	105	97	96	93	95	89	87	...	...
PHILIPPINES														
Imports ^g	106	105	96	96	97	100	102	103	100	101	104	108	...	...
Exports	104	82	89	81	83	84	87	89	87	96	94	95	...	...
THAILAND														
Imports	149	97	105	106	106	109	105	105	103	103	102	105	102	107
Exports	122	102	111	109	100	99	102	103	105	104	106	109	106	108
VIET-NAM ^f														
Imports	75	81	101	95	90	99	93	88	91	89	83	85	84	88
Exports	90	88	94	99	92	97	85	76	81	84	82	84	89	87

EXTERNAL TRADE

22. INDEX NUMBERS OF QUANTUM, UNIT VALUE AND TERMS OF TRADE (Cont'd)
1953=100^a

	1951	1952	1954	1955	1956	1957	1958	1958		1 9 5 9				Oct
								III	IV	I	II	III		
C. Terms of trade														
Percentage of unit value index of exports to unit value index of imports														
BURMA	57†	82	83	70	76	63	63	59	64	72	69	...	...
CEYLON	124	89	127	132	110	109	123	115	120	122	122	118	129	
CHINA (Taiwan) . . . . .	...	102	97	99	99	105	94	89	92	89	86	87	88
FEDERATION OF MALAYA and SINGAPORE	143	116	110 ⁴	130	121	109	104	106	113	115	125	124	...	
INDIA† . . . . .	...	100	110	101	110 ³	95	97	94	101	99	101	113	101
INDONESIA	138	103	105	120	116	112	97	88	98	92	115	142	...	
JAPAN	98	94	100	96	97	94	106	113	112	108	115	114	120	
KOREA, Republic of . . . . .	...	...	...	...	...	100	89	91	94	97	101	108	112
PAKISTAN	167	139	109	99	88	85	71	69	69	68	68	...	...
PHILIPPINES	98	78	93	85	85	84	85	86	87	96	91	88	...	
THAILAND	82	106	106	103	95	91	97	99	102	101	104	105	104	
VIET-NAM	120	109	93	110 ⁴	102	98	91	86	89	95	99	99	106	

a. Original base: Burma, Apr 1936-Mar 1941 for the period prior to 1953, 1952 since 1953; China (Taiwan), 1952; Ceylon, 1948; Federation of Malaya and Singapore, 1938 for period prior to 1953, 1952 since 1953; India, Apr 1952/Mar 1953; Indonesia, 1950; Japan, 1950; Republic of Korea, 1957; Pakistan, Apr 1948/Mar 1949; Philippines, 1955; Thailand, 1953; Viet-Nam, 1949.

b. All trade indexes since 1950 except the annual import price index have been computed on a fixed base (1948) weights method. The annual import price index has been computed by using moving current weights on 1948 base.

c. Figures from 1953, though linked to previous figures, have different treatment in imports and exports of petroleum products.

d. Indexes compiled by Ministry of Finance. The commodity groups are abridged titles of selected SITC sections and divisions.

e. Based on f.o.b. import prices.

f. See footnote j to table 15.

g. Index in terms of U.S. dollars.

h. Imports excluding land trade. Index in terms of U.S. dollars.

i. Calendar year from 1956.

23. BALANCE OF PAYMENTS

EXTERNAL TRADE

	1956	1957	1958	First half			1956	1957	1958	First half	
				1958	1959					1958	1959
BURMA (million kyats)						CEYLON (million rupees)					
Goods and services . . .	15	-536	-52	1	-103	Goods and services . . .	137	-156	-76	-125	-52
Exports,* mainly f.o.b. . .	1,094	1,154	934	505	375	Exports,* f.o.b.	1,772	1,669	1,624	708 ^a	629
Imports,* mainly c.i.f. . .	-930	-1,555	-834	-444	-377	Imports,* c.i.f.	-1,576	-1,764	-1,659 ^c	-783 ^c	-607
Transportation and insurance	-6	-4	2	-	-3	Transportation and insurance	41	44	76	-10	-13
Government, n.i.e. . . .	-115	-108	-121	-51	-72	Investment income . . .	-50	-53	-41	-11	-17
Other	-26	-22	-33	-10	-26	Other	-50	-52	-76	-29	-29
Private donations	-23	-25	-16	-9	-7	Private donations	-83	-66	-78	-42	-19
Private capital	10	3	6	4	2	Private capital	-20	-38	-4	24	29
Official donations	32	181	133	69	50	Official donations	28	27	1 ^c	-	-
Official and bank capital . .	-8	400	-86	-73	-35	Official and bank capital . .	-47	233	172	135	73
Long-term capital:						Long-term capital:					
Drawings on loans . . .	-	114	84	69	21	Portfolio securities . . .	-42	-45	24	-	-1
Other	-4	-3	-3	-3	-3	Net loan repayment by U.K.	-	22	-	-	-
Short-term capital:						IBRD loans	9	23	13	9	7
Net IMF position	71	-	-14	-	-	Other	-5	-9	2	-5	3
Other liabilities	4	95	-11	-4	46	Short-term capital:					
Union Bank assets	-121	153	-99	-91	-97	Net IMF position	-4	-9	-	-	-
Commercial bank assets . .	7	53	-22	-10	8	Other liabilities	-2	3	55	10	-2
Government assets	-17	-20	-16	-	-18	Foreign assets:					
State Agricultural Marketing Board's accounts receivable	52	8	-5	-34	7	Government & Central Bank	-67	193	83	117	81
Monetary gold	-	-	-	-	-	Commercial banks . . .	64	55	-5	4	5
Net errors and omissions . .	-26	-23	14	8	94	Monetary gold	-	-	-	-	-
						Net errors and omissions . .	-15	-	-15	8	-1
CAMBODIA (million riels)						FEDERATION OF MALAYA and SINGAPORE ^d (million Malaysian dollars)					
Goods and services . . .	...	-860	-823	...	...	Goods and services . . .	206	11	-147	...	...
Exports, f.o.b. . . . .	...	1,798	1,865	...	...	Exports, f.o.b.	4,010	3,978	3,562	...	...
Imports, c.i.f. . . . .	...	-2,147	-2,468	...	...	Imports, c.i.f.	-4,152	-4,379	-4,093	...	...
Invisible transactions . . .	...	-511	-220	...	...	Transportation: credit . .	229	277	239	...	...
Official and private donations . . . . .	...	1,526	1,321	...	...	Investment income . . .	-181	-135	-92	...	...
Private capital . . . . .	...	-2	-59	...	...	Government, n.i.e. . . .	325	291	300	...	...
Official and bank capital . .	...	-	-	...	...	Other	-25	-21	-63	...	...
Official loans . . . . .	...	-	-	...	...	Private donations	-267	-283	-288	...	...
Other official capital transactions . . . . .	...	-	-	...	...	Private capital	42	56	51	...	...
Foreign assets . . . . .	...	-443	-530	...	...	Official donations	12	29	35	...	...
Foreign exchange liabilities . . . . .	...	-	-	...	...	Official and bank capital . .	112	130	-78	...	...
Net errors and omissions . .	...	-221	91	...	...	Long-term capital:				...	...
						Loan from Brunei	40	-	-	...	...
						Other	-32	-21	6	...	...
						Short-term capital	104	151	-84	...	...
						Monetary gold . . . . .	-	-	-	...	...
						Net errors and omissions . .	-105	57	427	...	...

23. BALANCE OF PAYMENTS (Cont'd)

EXTERNAL TRADE

	1956	1957	1958	First half			1956	1957	1958	First half	
				1958	1959					1958	1959
CHINA (Taiwan, million U.S. dollars)						INDIA (million rupees)					
Goods and services . . .	107.6	96.3	125.7	-48.4	-48.6	Goods and services . . .	-3,217	-4,906	-4,376	-2,398	-1,763
Exports, f.o.b.	124.1	148.3	155.8	87.7	93.7	Exports, f.o.b.	6,299	6,966	5,643	2,767	2,968
Imports, mainly c.i.f. . .	-222.1	-244.7	-273.5	-130.7	-132.0	Imports, c.i.f.	-10,113	-12,499	-10,500	-5,411	-5,088
Government, n.i.e. . . .	5.2	1.2	5.5	-4.2	-6.3	Transportation and insurance	316	336	319	163	157
Other	4.4	1.3	2.5	-1.2	-4.0	Investment income . . .	114	-70	-152	-30	-67
Private donations	0.4	0.1	9.5	9.0	0.8	Government, n.i.e. . . .	51	142	189	63	232
Private capital	4.4	9.1	36.9	7.0	-0.9	Other	116	225	125	50	35
Official donations	65.2	58.3	53.9	19.2	44.1	Private donations	571	595	487	209	235
Official and bank capital	45.7	29.6	19.2	6.7	4.5	Private capital	89	-19	-225	-113	-106
Long-term capital:						Official donations	355	233	267	178	114
Official loans received . .	20.0	38.2	41.6	21.7	11.2	Official and bank capital	2,404	4,226	4,130	2,069	1,760
Other	1.4	3.5	6.1	-0.9	-0.5	Long-term capital:					
Short-term capital:						US loans	140	99	249	52	107
Payment agreements . . .	25.0	13.2	-0.7	-7.8	-18.2	IBRD loans	140	497	732	362	367
Other liabilities	12.3	0.3	7.0	2.4	-0.1	Other	11	-709	1,222	459	625
Banks' deposits abroad . .	6.3	20.3	17.4	-3.9	10.4	Short-term capital:					
Other foreign assets . . .	2.3	2.6	3.9	-3.7	-0.3	Net IMF position	-60	953	21	12	10
Monetary gold	1.6	0.9	1.3	-1.1	2.0	Other liabilities	185	1,079	711	385	716
Net errors and omissions	-7.3	-0.8	6.2	6.5	0.1	Foreign assets*	1,988	2,307	1,195	799	-65
						Monetary gold	-	-	-	-	-
						Net errors and omissions	-202	-129	-283	55	-240
INDONESIA (million U.S. dollars)						IRAN* (million U.S. dollars)					
Goods and services . . .	-165	-85	-65	-73	...	Transactions of Oil Sector National Iranian Oil Co. .	167.3	223.4	316.2		
Exports, f.o.b.	843	843	647	271	...	Exports, f.o.b.	6.5	6.8	4.1		
Imports, c.i.f.	-827	-731	-541	-242	...	Imports, c.i.f.	8.8	21.4	17.7		
Transportation and insurance	-25	-24	-17	-3	...	Services	7.9	5.6	7.5		
Investment income	-64	-70	-68	-36	...	Foreign assets	3.4	0.4	0.2		
Other	-92	-103	-86	-63	...	Oil Consortium					
Private donations	2	1	-	-	...	Exports, f.o.b.	382.9	505.6	574.9		
Private capital	1	6	5	6	...	Imports, c.i.f.	43.1	63.8	65.1		
Official donations	8	8	189 ^t	183 ^t	...	Direct investment income	140.7	207.8	244.9		
Official and bank capital	156	67	-120	-109	...	Direct investment capital and net errors and omissions . .	18.0	22.0	54.2		
Long-term capital:					...	Nationalization settlement	7.0	7.0	7.0		
Loans received	-9	-20	58	8	...	Pan American Petroleum Corporation payment . .	-	-	25.0		
Other	-1	12	-72 ^t	-2 ^t	...	Other Goods and Services	-216.0	-292.3	-414.1		
Short-term capital:					...	Exports, f.o.b.	122.9	132.6	127.1		
Net IMF position	28	-	-	-	...	Imports, c.i.f.	307.6	380.0	504.1		
Foreign assets	101	69	-107 ^t	-119 ^t	...	Nonmonetary gold	7.2	8.6	10.9		
Monetary gold	37	6	1	4	...	Services	24.1	36.3	26.2		
Net errors and omissions	-2	3	-9	-7	...	Private Donations	0.4	0.4	0.4		
					...	Other Private Capital . . .	...	0.1	0.6		
					...	Official Donations	42.6	27.3	19.7		
					...	Official and Bank Capital	48.4	32.3	81.4		
					...	Long-term capital	34.5	73.7	49.1		
					...	Short-term capital:					
					...	Net IMF position	16.5	-	8.4		
					...	Payments agreements . . .	2.1	10.7	7.4		
					...	Other liabilities	9.3	8.9	0.4		
					...	Other foreign assets	9.8	61.0	34.9		
					...	Monetary gold	-	-	2.0		
					...	Net errors and omissions	42.7	3.8	4.2		
JAPAN (thousand million yen)						KOREA, Republic of (million U.S. dollars)					
Goods and services . . .	-21.3	-212.5	165.4	33.8	13.6	Goods and services . . .	-330.9	-387.5	-311.3	-183.9	-125.9
Exports, f.o.b.	893.4	1,027.4	1,033.5	497.2	548.7	Exports, f.o.b.	25.2	19.4	17.1	7.1	9.9
Imports, f.o.b.	-940.6	-1,172.3	-900.5	-467.1	-537.3	Imports, f.o.b.	-380.0 ^m	-390.4	-343.7	-195.7	-144.3
Transportation and insurance	-113.8	-186.7	63.3	-38.5	-35.0	Transportation and insurance	0.1	49.3	32.8	-15.1	14.6
Government, n.i.e. . . .	181.7	167.7	145.0	66.7	63.1	Government, n.i.e. . . .	25.9	33.8	49.9	20.3	25.3
Other	42.0	48.6	49.3	-24.5	-25.9	Other	1.9	1.0	1.8	-0.5	-2.2
Private donations	11.8	12.8	14.2	6.8	7.8	Private donations	22.8	29.1	26.4	15.6	8.4
Private capital	0.9	23.3	13.0	7.6	-	Private capital	3.2	2.9	7.0	...	...
Official donations	2.7	23.5	84.4	-71.6	-10.6	Official donations	298.1	355.8	322.6	155.7	119.3
Official and bank capital	9.0	192.8	-121.3	17.6	-31.1	Official and bank capital	12.9	9.4	45.2	12.2	-2.1
Long-term capital:						Long-term capital	-	-	-	-	-
Use of IMF resources . . .	-	45.0	45.0	-	-	Short-term capital:					
Other liabilities	63.4	-22.6	16.3	22.5	39.8	Payments agreement liabilities to Japan	0.6	0.7	0.8	-1.3	-0.6
Short-term balances . . .	54.0	3.3	4.5 ^j	8.7 ^j	...	Hwan liabilities	15.8	25.8	6.4	23.5	2.7
U.S. dollar balances . . .	-105.9	172.7	-133.0 ^j	-83.9 ^j	...	U.S. dollar balances . . .	-5.4	-17.3	-30.6	-2.7	0.3
Payments agreements . . .	7.9	13.3	59.4 ^j	69.0 ^j	8.1 ^j	Other foreign assets	3.2	0.3	7.2	-7.2	-4.4
Other foreign assets	1.9	2.9	0.2	-0.9	-55.2 ^t	Monetary gold	0.1	0.1	0.2	-0.1	-0.1
Monetary gold	0.1	0.2	10.9	-0.1	-43.2	Net errors and omissions	0.3	3.9	0.5	0.4	0.3
Net errors and omissions	4.1	7.1	13.1	5.8	20.3						

EXTERNAL TRADE

23. BALANCE OF PAYMENTS (Cont'd)

	1956	1957	1958	First half			1956	1957	1958	First half	
				1958	1959					1958	1959
PAKISTAN (million rupees)						PHILIPPINES (million pesos)					
Goods and services . .	-786	-762	973	-578	-234	Goods and services . .	-141	-424	-206	-97	
Exports,* f.o.b. . . .	1,746	1,708	1,392	678	728	Exports, f.o.b. . . .	875	864	966	455	
Imports,* private, f.o.b.	-817	-811	-807	-410	-319	Imports, f.o.b. . . .	-1,019	-1,233	-1,155	-581	
Transportation and insurance	-76	-90	-85	-38	-29	Transportation and insurance	-123	-162	-136	-70	
Government, n.i.e. ⁿ . .	-1,543	-1,493	-1,460	766	-622	Investment income . .	-131	-128	-107	-124	
Other	-95	-75	-13	-42	7	Government, n.i.e. . .	219	206	184	90	
Private donations . . .	34	5	-6	-4	5	Other	38	29	42	21	
Private capital	1	29	-3	-6	-3	Private donations . . .	13	13	35	1	
Official donations . . .	404	287	517	232	230	Private capital	111	96	40	-4	
Official and bank capital	362	435	488	330	-6	Official donations . . .	67	109	77	44	
Long-term capital:						Official and bank capital	-9	253	40	13	
Loans received . . .	156	215	144	87	353	Long-term capital . .	14	-56	31	-30	
Official repayments . .	-12	-139	-56	-36	-21	Short-term capital:					
U.K. securities . . .	-59	-16	254	68	-227	Net IMF position . .	10	-	-	-	
Liabilities	327	157	133	128	-115	Other liabilities . . .	25	86	2	-52	
State Bank (issue Dept.) assets ^p . .	49	407	-96	-30	153	Other foreign assets .	-46	191	15	46	
Advance payments to US Government .	-4	-30	34	32	-	Monetary gold . . .	-12	32	-8	-11	
State Bank (Banking Dept.), Commercial banks and other institutions' assets and valuation correction ^p . . .	-93	-159	81	84	-147	Net errors and omissions	-41	-47	-14	41	
Monetary gold	-2	...	-4	2	3						
Net errors and omissions	-16	5	-25	25	9						
THAILAND (million US dollars)						VIET-NAM, Republic of (million piastres)					
Goods and services . .	-15.3	-36.3	-78.7	-25.8	-28.8	Goods and services . .	-7,634	-8,219	-6,505		
Exports, f.o.b. . . .	361.5	390.1	307.0	178.9	167.3	Exports,* f.o.b. . . .	1,849	2,686	1,815		
Imports, c.i.f. . . .	-358.5	-404.7	-385.5	-201.7	-196.1	Imports,* c.i.f. . . .	-8,535	-9,979	-8,114		
Nonmonetary gold . . .	-4.5	-5.1	-1.1	-1.1	-	Government n.i.e. . .	206	-484	-675		
Government, n.i.e. . . .	2.0	5.8	9.1	4.3	3.5	Other	-1,154	-442	469		
Other	-15.8	-22.4	-8.2	-6.2	-3.5	Private donations . . .	410	354	210		
Private donations . . .	-8.9	-9.3	-1.3	-1.3	1.7	Private capital	-281	97	-22		
Private capital	3.2	2.6	4.7	1.1	3.2	Official donations . . .	6,813	7,579	6,916		
Official donations . . .	31.0	35.0	25.3	13.3	20.2	FOA/ICA direct grants	5,226	6,137	5,306		
Official and bank capital	9.6	13.0	28.4	13.7	0.5	US indirect grants . .	1,170	925	980		
Long-term capital:						Other	417	517	630		
Loans received . . .	17.7	28.2	14.9	8.8	9.7	Official and bank capital	608	20	-573		
Official repayments . .	5.4	-6.3	-4.4	-2.2	-8.4	Long-term capital:					
Other	-1.2	-1.8	-1.1	0.3	0.4	Official loans received	875	70	665		
Short-term capital:						US dollar subscription to IBRD	-9	-	-		
Liabilities	7.1	1.8	3.2	3.0	6.8	Short-term capital:					
Sterling balances . . .	4.0	1.3	7.0	-7.7	-4.4	Net IMF position . .	-109	-	-		
U.S. dollar balances . .	7.2	9.6	21.4	3.8	-1.9	Payments agreements .	-1	2	-		
Other foreign assets . .	2.4	-0.6	1.4	7.7	-1.7	Commercial banks . .	-77	-275	-25		
Monetary gold	-	-	-	-	-	Other foreign assets .	-56	224	-1,055		
Net errors and omissions	-0.4	5.0	21.6	-1.0	3.2	Monetary gold	-15	-1	-158		
						Net errors and omissions	84	169	-26		

GENERAL NOTES: (1) No sign indicates credit, minus sign indicates debit. For foreign balances or foreign assets under short-term official and bank capital, no sign indicates decrease, minus sign indicates increase. (2) Statistics on goods and services except merchandise imports and exports are on a net basis.

a. Figures based on exchange control record.
b. Partly f.o.b. and partly c.i.f.
c. Data for grants in kind are not available.
d. Data cover transactions of the Federation of Malaya and of Singapore with the rest of the world but exclude trade between the two areas.

e. Includes Reserve Bank's holdings of long-term securities.
f. The cancellation of trade debts owed to Japan (177 million US dollars) is included as a credit in official donations; that part of the debt that was consolidated in 1952 (60 million US dollars) is entered as a decrease in long-term liabilities and the remainder as a decrease in short-term liabilities.

g. Years beginning 21 March.

h. Goods purchased by UN forces under the special procurement programme are included in "Government, n.i.e."

i. Including waiver of trade claims on Indonesia (63.7 billion piastres).

j. Sterling balances and US dollar balances cover total assets in the sterling area and total assets in the United States, respectively.

k. Including sterling balances and US dollar balances.

m. Mainly c.i.f.

n. Includes government imports.

p. Includes monetary gold.

q. Reinvested earnings from foreign direct investment are omitted.

24. INDEX NUMBERS OF WHOLESALE PRICES
1953=100^a

PRICES AND WAGES

	1952	1954	1955	1956	1957	1958	1958		1 9 5 9				
							III	IV	I	II	III	Oct	Nov
BURMA													
All agricultural produce . . .	103	100	96	99	114	112	113	108	96	99	...	...	...
Cereals . . .	107	101	107	103	103	102	110	112	99	104	...	...	...
Non-food agricultural produce . .	112	114	107	103	125	137	139	128	132	127	...	...	...
CHINA (Taipei)													
General index . . .	92	102	117	132	141	143	141	147	152	153	160	166	167
Food . . .	78	105	114	123	135	142	137	149	157	157	168	176	179
Apparel . . .	107	94	110	106	105	107	106	109	115	117	119	120	121
Metals and electrical materials ^b .	104	102	158	190	197	189	188	182	184	184	187	187	188
Building materials . . .	94	105	115	153	163	148	149	150	161	170	160	171	173
Manufactured products . . .	91	104	120	143	162	158	158	162	164	165	167	173	174
Industrial materials . . .	95	100	116	138	163	163	160	174	188	190	191	194	195
INDIA (Apr-Dec 1953=100)													
General index . . .	...	94	87	97	103	105	110	108	107	108	111	113	112
Food articles . . .	...	90	78	91	98	103	110	108	105	106	111	114	112
Industrial raw materials . . .	...	84	88	103	107	104	108	104	105	108	110	111	111
Manufactured articles . . .	...	102	101	108	109	110	110	110	110	110	111	113	113
Intermediate products . . .	...	99	99	112	110	111	114	112	112	110	111	116	118
Finished products . . .	...	102	101	105	109	109	110	110	109	110	111	112	112
INDONESIA (Jakarta)													
(Imported goods)													
All articles . . .	94	109	145	135	160	247	254	301	...	...	...	...	...
Provisions . . .	84	110	144	146	178	244	240	283	...	...	...	...	...
Textile goods . . .	89	110	169	118	137	248	262	312	...	...	...	...	...
Chemicals . . .	90	109	151	137	141	208	215	248	...	...	...	...	...
Metals . . .	105	98	115	135	169	234	237	295	...	...	...	...	...
IRAN (Teheran)													
General index . . .	83	118	115	123	123	119	119	119	123	122	122	126	127
Domestic products . . .	88	124	117	124	131	133	135	136	142	145	144	153	155
Imported products . . .	86	107	105	96	88	82	83	84	84	85	86	87	86
Exported products ^c . . .	76	117	116	136	134	125	122	120	120	120	120	121	122
JAPAN													
General index . . .	100	99	98	102	105	98	97	97	98	98	99	101	101
Edible farm products . . .	93	112	112	109	112	117	117	117	116	116	116	116	115
Textiles . . .	101	92	87	88	82	75	76	72	74	75	78	80	81
Chemicals . . .	108	83	90	94	95	88	86	85	85	85	85	85	86
Metal and machinery . . .	105	94	97	116	119	103	100	100	103	105	106	106	106
Building materials . . .	85	104	96	104	115	107	105	106	109	108	109	114	113
Producer goods . . .	100	96	95	103	107	98	96	95	97	98	99	100	100
Consumer goods . . .	100	103	101	100	102	99	98	99	99	99	100	102	103
KOREA, Republic of (1955=100)													
General index . . .	...	...	100	132	153	143	145	141	139	145	152	154	152
Foods . . .	...	...	100	141	168	145	150	135	129	142	146	140	134
Metal products and machinery . .	...	...	100	130	162	159	159	164	167	171	179	186	187
Building materials . . .	...	...	100	121	135	144	143	155	149	153	166	191	192
Textiles . . .	...	...	100	122	127	126	124	126	121	121	131	139	139
Producer goods . . .	...	...	100	138	156	156	155	159	162	167	179	189	189
Consumer goods . . .	...	...	100	129	152	138	141	133	129	136	141	140	137
PHILIPPINES (Manila)													
General index . . .	101	95	92	95	99	103	103	102	103	103	104	106	...
Food . . .	107	97	95	96	102	105	106	101	98	97	98	99	...
Crude materials . . .	81	88	84	90	92	99	97	109	117	118	112	121	...
Chemicals . . .	103	95	88	88	93	96	95	97	100	99	100	100	...
Manufactured goods . . .	109	96	92	100	103	104	103	102	105	108	112	114	...
Domestic products . . .	100	94	92	94	98	101	101	101	101	101	101	103	...
Exported products . . .	82	88	81	84	88	98	97	107	113	114	105	112	...
Imported products . . .	105	97	92	100	106	110	110	111	114	117	123	125	...
THAILAND (Bangkok)													
General index . . .	107	98	114	117	118	123	124	126	115	116	117	111	115
Agricultural produce ^d . . .	120	98	136	130	130	143	146	153	133	134	133	129	142
Foodstuff ^e . . .	98	96	108	116	115	122	123	123	111	112	114	104	105
Clothes . . .	131	99	102	101	101	101	101	101	101	101	100	100	100
Metal . . .	135	97	126	139	141	108	103	105	112	115	116	123	123
Construction materials . . .	97	103	104	103	105	103	102	102	102	103	103	103	104
VIETNAM (Saigon-Cholon)													
General index . . .	87	105	117	122	123	124	128	126	117	118	123	119	117
Rice and paddy . . .	90	83	99	113	106	119	126	124	96	94	104	94	85
Raw materials . . .	92	117	145	131	139	126	125	128	130	134	139	143	158
Semi-finished products . . .	87	120	123	131	138	129	130	125	124	128	127	126	129
Manufactured products . . .	86	120	124	121	111	117	117	115	118	122	114	117	114
Local products . . .	89	100	116	123	121	123	127	125	111	113	119	114	110
Imported products . . .	83	121	121	124	130	131	130	128	133	134	130	131	130

a. Original base: Burma, 1938-40; China (Taiwan), Jan-Jun 1937 prior to 1959, 1956 since 1959 except indexes of manufactured products and industrial materials for which the base is 1951; India, Apr 1952/Mar 1953; Indonesia, 1938; Japan, 1952; Republic of Korea, and Philippines, 1955; Thailand, Apr 1938/Mar 1939; Viet-Nam, 1949.

b. Beginning 1959, metals and manufactures thereof.

c. Excluding petroleum.

d. Agricultural produce including paddy, rice meal, copra, rubber, etc.; foodstuff including milled rice, pork, banana, etc.

PRICES AND WAGES

1953=100^a

	1952	1954	1955	1956	1957	1958	1958		1 9 5 9					
							III	IV	I	II	III	Oct		
CHINA (Taiwan)														
Prices received by farmers (R)	74	92	102	110	122	122	119	124	127	130	...	...
Prices paid by farmers (P)	73	93	101	111	118	120	118	120	125	127	...	...
Cultivation cost	73	93	106	113	120	125	122	124	131	131	...	...
Domestic expenditure	73	92	100	109	117	117	116	119	123	126	...	...
Ratio (R) ÷ (P)	102	99	100	99	103	102	101	103	101	102	...	...
INDIA (Punjab)														
Prices received by farmers (R)	94	94	78	97	104	107	115	122	138	108	...	...
Prices paid by farmers (P)	102	98	86	96	104	108	112	117	125	115	...	...
Cultivation cost	105	92	79	91	95	105	109	118	132	112	...	...
Domestic expenditure	101	102	91	99	110	111	113	116	122	117	...	...
Ratio (R) ÷ (P)	92	96	90	101	100	99	102	104	110	94	...	...
INDIA (West Bengal, 1954=100)														
Prices received by farmers (R)	...	100	102	118	135	143	160	150	121	137	...	...
Prices paid by farmers (P)	...	100	98	106	113	119	125	121	113	119	...	...
Cultivation cost	...	100	98	103	105	111	114	114	112	113	...	...
Domestic expenditure	...	100	97	108	118	124	131	124	113	122	...	...
Ratio (R) ÷ (P)	...	100	105	111	119	120	128	125	108	115	...	...
JAPAN ^b (Apr 1953-Mar 1954=100)														
Prices received by farmers (R)	85½	98½	95½	98	99	97	97	97	96	96	97	99		
Prices paid by farmers (P)	98½	103½	101½	102	105	103	103	102	102	103	103	104		
Cultivation cost	99½	102½	98½	98	102	100	99	98	97	97	96	97		
Domestic expenditure	97½	103½	103½	103	106	105	105	105	105	106	107	108		
Ratio (R) ÷ (P)	87½	96½	94½	97	94	94	94	95	94	93	94	95		

a. Original base: China (Taiwan) 1952, India, Punjab, Sep 1938/Aug 1939; West Bengal, 1939; Japan, Apr 1951/Mar 1952.

b. Index numbers of commodity prices in 473 towns or villages. Annual figures prior to 1956 relate to fiscal year April to March.

26. PRICE QUOTATIONS OF MAJOR EXPORT COMMODITIES

	Unit	1952	1953	1954	1955	1956	1957	1958	1958		1 9 5 9					Nov
									III	IV	I	II	III	Oct		
RICE																
Burma	£ per L. ton	52.5	60.0	49.0	41.1	35.6	34.2	37.0	37.0	37.0	34.2	33.0	32.7	32.0	32.2	32.1
China(Taiwan)	NT\$ per m. ton	2,125	3,527	3,133	2,634	3,776	3,644	3,643	—	3,643	5,307	5,309	—	—	5,311	5,310
Thailand	£ per L. ton	56.7	63.4	57.3	50.5	48.9	49.8	53.1	54.5	52.5	47.4	49.1	48.4	46.3	46.2	46.1
SUGAR																
China(Taiwan)	US\$ per ton	151.1	98.2	104.9	104.6	104.3	139.3	98.4	94.2	99.8	83.6	85.5	82.8	85.4	91.5	91.2
India	Rs. per maund.	30.4	28.4	31.1	28.1	27.9	30.8	32.5	36.0	35.7	35.7	35.7	35.7	...	...	...
Indonesia	Rp. per 100kg.	286	285	308	306	302	350	418	440	440	440	440	440	440	440	440
Philippines	Peso per picul	14.3	15.2	14.9	13.8	14.0	14.8	15.3	15.4	15.4	14.5	14.9	15.1	15.1	...	...
TEA																
Ceylon	Rs. per lb.	2.30	2.46	3.11	3.30	3.00	2.78	2.75	2.67	2.71	2.69	2.82	2.61	2.84	2.78	2.77
China(Taiwan)	NT\$ per kg.	8.71	9.64	11.25	11.49	11.96	10.08	12.67	13.44	12.36	16.43	17.16	17.84	14.51	15.38	15.37
India ^a	Rs. per lb.	1.64	2.00	3.18	3.05	2.58	2.83	2.52	3.09	2.35	2.12	2.18	2.68	2.48	2.35	2.34
Indonesia	Rp. per 100kg.	912	1,037	1,469	1,459	1,072	1,097	1,116	1,138	1,081	1,172	1,092	1,073	...	...	...
PEPPER																
Cambodia	Rs. per 63.42 kg.	5,004	6,238	4,663	3,507	4,350	4,771	3,465	3,550	3,075	2,783	2,650	2,783	3,050	2,975	2,974
India	Rs. per maund	337.7	285.9	162.4	131.6	110.9	77.7	71.7	90.0	71.2	94.0	92.5	95.0	...	...	...
Indonesia	Rp. per 100kg.	3,031	2,583	1,478	745	551	469	457	526	417	408	438	456	...	...	...
Sarawak	M\$ per picul	447.9	313.7	159.6	109.6	70.2	69.5	66.9	—	70.0	—	72.9	—	...	...	...
Singapore	M\$ per picul	507.4	395.3	204.8	135.6	94.7	72.8	68.8	75.7	68.3	71.5	75.0	88.7	100.8	133.9	133.8
HIDES																
Pakistan	Rs. per 28 lbs. ^a	24.42	21.61	25.54	31.72	29.49	29.08	29.24	28.00	26.75	27.10	34.50	117.03	120.00	120.00	120.00
SKINS																
India	Rs. per 100 pcs.	266.8	336.0	320.0	287.6	300.4	353.1	336.9	321.1	350.8	375.0	375.0	388.3	...	...	...
Pakistan	Rs. per 100 pcs.	...	178.7	208.2	211.9	254.6	287.4	252.5	242.8	241.7	256.2	274.2	365.8	375.0	311.9	311.8
GROUNDNUTS																
India	Rs. per maund	22.94	29.11	21.36	15.94	24.42	25.34	25.15	28.21	26.42	26.36	28.82	30.36	...	...	...
COPRA																
Ceylon	Rs. per candy	203.8	267.2	246.8	209.5	212.2	239.8	264.8	259.0	272.7	299.1	302.9	299.8	310.5	311.3	311.2
Federation of Malaya	M\$ per picul	28.82	35.30	30.68	26.38	25.70	26.85	35.13	34.50	41.33	43.17	42.17	38.83	43.50	50.00	50.00
Indonesia	Rp. per 100kg.	169	219	194	193	178	156	179	186	227	256	231	...	...	...	...
Philippines	peso per 100kg.	24.63	36.62	30.76	27.12	26.02	28.43	37.70	35.83	44.99	51.89	50.35	39.20	47.19	...	...
Singapore	M\$ per picul	29.09	37.59	32.55	28.14	27.45	27.34	33.89	32.81	38.96	42.30	43.26	37.73	42.25	38.53	38.52
RUBBER, NATURAL																
Burma	K. per lb.	1.10†	1.10	0.81	1.29	1.58	1.31	...	...	...	...	...	...	...	...	...
Cambodia	Rs. per kg.	...	...	13.98	18.75	18.26	16.45	16.47	16.37	17.43	17.65	18.77	20.61	23.51	...	...
Ceylon	Rs. per lb.	1.76	1.54	1.36	1.56	1.50	1.43	1.24	1.20	1.29	1.29	1.43	1.51	1.53	1.53	1.52
Indonesia	Rp. per 100kg.	853	565	545	888	821	746	641	640	685	694	778	...	...	...	...
Singapore	M Cents per lb.	96.07	67.44	67.30	114.16	96.76	89.75	80.25	81.19	87.03	87.19	98.27	103.68	104.92	127.26	127.25
Thailand	Baht per kg.	10.14	7.30	6.17	13.59	11.25	10.87	10.33	10.20	12.01	12.52	14.35	14.93	14.96	12.66	12.65

PRICES AND WAGES

26. PRICE QUOTATIONS OF MAJOR EXPORT COMMODITIES (Cont'd)

	Unit	1952	1953	1954	1955	1956	1957	1958	1958		1959				
									III	IV	I	II	III	Oct	Nov
TIMBER															
Burma	K. per cu. ton	976	929	876	921	923	889	...	...	...	...	...	...	...	...
Federation of Malaya	M\$ per 50 cu. ft.	150.3	148.2	149.4	156.6	158.2	144.6	143.3	136.6	140.6	123.9	124.8	122.1	128.5	146.9
North Borneo	M\$ per 50 cu. ft.	133.9	118.3	82.9	77.9	77.5	66.1	64.7	63.8	66.0	65.4	70.6	75.7	...	...
Philippines	Peso per 1,000 bd. ft.	116	109	117	114	112	105	102	102	100	102	104	104	...	...
Thailand	Baht per cu. m.	1,933	2,436	3,023	3,614	4,098	4,090	3,867	4,017	4,238	4,225	3,799	3,958	4,036	4,196
WOOL, RAW															
Pakistan	Rs. per lb.	1.71	2.09	2.25	2.15	2.70	2.77	2.06	1.88	2.06	2.16	2.34	2.57	2.20	2.40
COTTON, RAW															
Burma	K. per lb.	1.75†	1.08	1.34	1.33	1.00	1.14	...	...	...	...	...	...	...	...
India	Rs. per 784 lbs.	716.0	710.0	734.0	635.8	786.7	766.7	732.0	728.3	694.8	738.1	770.8	794.0	...	...
Pakistan	Rs. per bale	629.7	405.2	443.5	443.6	503.7	511.1	451.3	431.9	393.8	403.1	412.1	413.0	390.6	402.9
JUTE, RAW															
India	Rs. per 400 lbs.	173	132	148	172	173	207	192	190	175	185	185	192	190	195
Pakistan	Rs. per 400 lbs.	134	106	135	150	187	214	188	188	172	183	193	186	...	...
United Kingdom	£ per L. ton	113	96	102	98	103	114	100	108	106	112	114	108	107	109
HEMP, RAW															
Philippines	Peso per picul	64.0	38.4	28.8	31.0	37.4	46.8	39.2	41.3	44.0	51.1	57.1	61.6	61.6	59.5
GROUND NUT OIL															
India	Rs. per quarter	17.32	22.34	15.38	11.92	17.82	19.11	18.79	20.47	18.88	18.74	21.20	21.83	...	...
PALM OIL															
Indonesia	Rp. per 100 kg.	228	214	204	220	233	232	212	201	196	201	242	...	...	...
COCONUT OIL															
Ceylon	Rs. per L. ton	1,247	1,519	1,454	1,156	1,168	1,256	1,396	1,369	1,454	1,607	1,668	1,751	1,698	1,731
Philippines	Peso per kg.	0.46	0.69	0.57	0.48	0.45	0.47	0.66	0.63	0.82	0.86	0.86	0.70	0.82	...
Singapore	M\$ per picul	48	59	55	44	44	46	54	52	63	67	69	61	66	63
RAYON YARN															
Japan	Yen per lb.	245	229	209	173	172	171	151	150	148	145	145	150	153	153
COTTON PIECE GOODS															
India	Rs. per lb.	1.88	1.89	1.88	1.80	1.94	2.04	1.81	1.79	1.77	1.80	1.82	1.85	...	...
Japan	Yen per yd.	63	60	57	50	54	48	42	43	43	50	50	53	56	60
JUTE MANUFACTURES															
India (bag)	Rs. per 100 bags	138.0	98.8	111.8	115.6	111.2	114.6	98.6	98.0	95.5	91.6	94.3	101.5	...	...
India (hessian)	Rs. per 100 yd.	55.6	46.1	47.2	45.0	43.0	44.3	43.0	44.3	44.0	42.2	42.4	42.2	42.4	42.2
PETROLEUM, CRUDE															
Indonesia	Rp. per m. ton	74	76	160	160	163	163	181	182	192	195	178	174	159	225
Sarawak	M\$ per m. ton	62	64	65	63	61	64	65	66	64	—	61	—	...	...

SPECIFICATIONS:

RICE: Burma—Average of export contract prices f.o.b. white rice, No. 1 small mills special ngasein. China (Taiwan)—Unit value of export of rice and paddy. Thailand—Export price f.o.b. Bangkok, white rice 5% broken; prior to 1955 export contract price f.o.b.

SUGAR: China (Taiwan)—Monthly average price of all kinds of sugar f.o.b. Taiwan ports. India—Wholesale prices, D. 28 Kanpur. Indonesia—Domestic wholesale prices of white sugar, Djakarta. Philippines—Wholesale prices of centrifugal sugar, Manila.

TEA: Ceylon—Average prices for all grades f.o.b. China (Taiwan)—Unit value of export of black tea. For 1951, average of Jan-Jun. India—Export price at Calcutta auctions, leaf, all types. Indonesia—Export prices f.o.b. for B.O.P., O.P., P.S. and B.P.

PEPPER: Cambodia—Wholesale prices, black ex-store. India—Wholesale prices, ungarbled (alleppey) Calcutta. Indonesia—Export prices, f.o.b. black Lampung. Sarawak—Unit value of exports of black pepper. Singapore—Average wholesale prices, black Lampung.

HIDES: Pakistan—Average wholesale prices of Karachi unframed unskinned mixed 12/40 lbs. (buffalo), Karachi.

SKINS: India—Wholesale prices of raw goat skin, average quality, Calcutta. Pakistan—Average wholesale prices of sheep skin, Papra (dressed all primes), Karachi.

GROUNDNUTS: India—Wholesale prices of ground nuts, machine shelled, Cuddalore.

COPRA: Ceylon—f.o.b. prices for all grades. Federation of Malaya—Wholesale prices, sundried. Indonesia—Export prices f.o.b. mixed. Prior to August 1951 "f.m.a. and mixed". Philippines—Wholesale prices, reseeded, Manila. Singapore—Wholesale prices, sundried.

RUBBER, NATURAL: Burma—Unit value of exports. Cambodia—Unit value of exports. Ceylon—f.o.b. prices of all grade of rubber excluding latex. Indonesia—Export prices f.o.b. R.S.S. 1 and Crepe 1. Singapore—Buyers' midday prices, f.o.b. Singapore No. 1 RSS in bales. Annual prices are the averages of daily prices. Thailand—Unit value of exports of rubber smoked sheet. Annual figures relate to whole kingdom, monthly and quarterly figures relate to Port of Bangkok only.

TIMBER: Burma—Unit value of teak exports. Federation of Malaya—Unit value of net exports of timber. North Borneo—Unit value of sawn logs for 1951-1954; sawn logs and veneer logs, non-coniferous from 1955 to date. Philippines—Unit value of exports of logs and lumber. Thailand—Unit value of exports of teak board. Annual figures relate to whole kingdom, monthly and quarterly figures relate to Port of Bangkok only.

WOOL, RAW: Pakistan—Unit value of exports. COTTON, RAW: Burma—Unit value of exports. India—Wholesale prices, Jarilla M.G.F., Bombay; since August 1959-Jarilla M.G. Madhya Pradesh 25/32" Staple, Bombay. Pakistan—Unit value of exports.

JUTE, RAW: India—Domestic price at Calcutta, raw lightnings. Pakistan—Domestic/export f.o.b. Chittagong, raw, baled, export firsts. United Kingdom—Domestic/import price c. and f. Dundee, Pakistan mill firsts.

HEMP, RAW: Philippines—Domestic/export price at Manila, Manila Hemp, Grade G.

GROUND-NUT OIL: India—Wholesale prices, naked, Bombay.

PALM OIL: Indonesia—Export prices f.o.b.

COCONUT OIL: Ceylon—f.o.b. prices for all grades. Philippines—Wholesale prices, Manila. Singapore—f.o.b. Singapore.

RAYON YARN: Japan—Export prices f.o.b. viscose, 120 denier hank, 1st grade.

COTTON PIECE GOODS: India—Wholesale prices of grey standard shirting 35" x 38 yds. Bombay. Japan—Export prices f.o.b., heavy shirting s/2003 grey 38".

JUTE MANUFACTURES: India—Export prices of bags, B-twills 2½ lbs. 44 x 26½" f.a.s. Calcutta. India—Domestic/export prices of hessian cloth 10½ oz. 40" Calcutta.

TIN: Indonesia—Unit value of exports of tin and tin ore. Singapore—Export prices ex-works. Thailand—Unit value of exports of tin ore and tin in concentrates. Annual figures relate to whole kingdom, monthly and quarterly figures relate to Port of Bangkok only.

PETROLEUM, CRUDE: Indonesia—Unit value of exports of crude petroleum. Sarawak—Unit value of exports of crude petroleum.

a. Since third quarter 1959, Rs. per 82 lbs.

PRICES AND WAGES

27. WAGES *Base for index numbers, 1953**

	1954	1955	1956	1957	1958	1958		1 9 5 9				Nov
						III	IV	I	II	III	Oct	
CEYLON												
Index of wages												
Tea and rubber estate workers ^b . . .	102	106	107	108	110	109	110	109	110	110	109	110
Government workers (Colombo) ^c . . .	100	104	106	109	125	125	125	125	125	125	125	125
CHINA (Taiwan)												
Index of earnings ^d												
Mining	105	131	174	227	243	237	239	240	244	248	252	254
Manufacturing	111	125	141	155	165	162	170	179	173	172	179	182
INDIA												
Wages or earnings (<i>rupees</i>)												
Cotton mills ^e (Bombay, <i>monthly</i>) . . .	96.3	94.8	98.8	104.2	111.8	115.0	114.5	112.8	114.2	118.3	...	...
Coal mines ^f (Jahria, <i>weekly</i>)	14.2	14.2	17.4	20.5	22.0	21.9	22.1	22.5	23.0	22.6	...	...
JAPAN												
Index of earnings ^g												
Mining	101	108	118	137	140	164	165	119	135	159	131	134
Manufacturing	105	109	120	124	127	130	151	112	129	139	118	124
Daily money wages of agricultural labour, male (<i>yen</i>)	285	301	308	323	337	347	341	319	362	353	371	370
KOREA, Republic of												
Earnings ^h (<i>thousand hwan</i>)												
Mining . . . . .	...	...	...	31.6	35.7	35.2	36.9	36.6	37.1	36.1	37.4	37.1
Manufacturing . . . . .	...	...	...	22.3	24.1	24.3	25.7	25.6	26.2	26.2	26.4	26.1
PHILIPPINES												
Index of wages ⁱ (Manila)												
Skilled	101	101	101	101	104	105	104	105	106	106	...	...
Unskilled	99	102	103	102	103	103	104	105	103	103	...	...

a. Original base: Ceylon, 1939; China (Taiwan), June 1949; Japan, 1955; Philippines, 1955.

b. Daily rates of minimum wages (basic wages plus special allowance).

c. Monthly wage rates for unskilled male workers in government employment.

d. Daily average of wages and allowances including payment in kind.

e. Monthly minimum basic wages plus dearness allowance.

f. Average weekly earnings (basic wages plus dearness allowance and other payments) of underground miners and loaders in coal mines.

g. Average monthly cash earnings per regular workers.

h. Total monthly average earnings of regular employees based on the payroll returns from about 400 constant sample establishments throughout the country engaged in mining and manufacturing (excluding tobacco and salt manufacturing).

i. Daily average wage rates of all classes of workers.

28. INDEX NUMBERS OF COST OF LIVING*

	1954	1955	1956	1957	1958	1958		1 9 5 9				Nov
						III	IV	I	II	III	Oct	
A. All items												
BURMA: Rangoon	96	98	111	119	115	125	110	96	97	97	102	
CAMBODIA: Phnom-Penh	108	121	127	127	135	140	139	135	137	143	146	
CEYLON: Colombo	100	99	99	101	103	102	104	103	104	103	104	
CHINA: Taipei	102	112	123	133	134	134	136||	137	140	152	156	
FED. OF MALAYA	94	91	92	96	95	94	94	93	92	91	90	
HONG KONG	98	95	97	98	96	97	98	105	104	108	102	
INDIA (interim index)	95	90	99	104	109	113	114	110	113	117	118	
IRAN	118	122	130	139	140	139	144	155	166	164	168	
JAPAN (urban)	106	105	106	109	108	109	109	108	109	110	111	
KOREA: Seoul	137	231	284	350	339	343	343	342	351	356	370	
LAOS: Vientiane	123	125	141	174	187	207	189	204	...	...	...
PAKISTAN: Karachi	98	94	97	106	110	114	103	101	104	108	110	
Narayanganj	84	85	99	104	110	120	107	104	107	112	111	
PHILIPPINES: Manila	99	98	100	102	105	106	107	104	102	105	106	
SINGAPORE	93	91	92	94	92	91	92	92	91	91	92	
THAILAND: Bangkok	100	105	111	118	125	129	121	120	123	118	115	
VIET-NAM: Saigon	113	124	139	133	130	132	131	134	132	134	132	
B. Food												
BURMA: Rangoon	97	96	106	119	115	128	107	90	91	...	...
CAMBODIA: Phnom-Penh	103	119	130	129	141	146	146	140	144	146	151	
CEYLON: Colombo	100	99	97	99	100	98	99	98	101	98	99	
CHINA: Taipei	102	108	126	137	138	138	142||	142	146	166	168	
FED. OF MALAYA	90	87	88	93	91	90	91	90	88	88	87	
HONG KONG	95	90	95	95	93	95	96	108	105	111	103	
INDIA (interim index)	93	85	97	103	109	114	115	109	111	119	120	
INDONESIA: Djakarta	106	141	161	177	258	264	286	306	300	321	316	
IRAN	114	114	121	126	120	118	120	131	142	...	...
JAPAN (urban)	108	105	105	108	106	107	107	106	106	108	109	
KOREA: Seoul	116	206	282	339	310	324	301	295	310	316	330	
LAOS: Vientiane	122	118	122	157	174	208	170	198	...	...	...
PAKISTAN: Karachi	98	95	100	113	117	123	108	106	110	116	118	
Narayanganj	79	80	97	102	105	108	106	101	102	108	109	
PHILIPPINES: Manila	99	98	101	105	111	112	113	106	102	107	110	
SINGAPORE	91	88	89	91	87	86	86	86	85	84	85	
THAILAND: Bangkok	98	103	108	117	126	131	121	118	122	116	112	
VIET-NAM: Saigon	107	121	140	129	125	129	127	128	123	126	123	

GENERAL NOTES: All figures refer to working class expenditures except for the following countries: China (Taiwan), Public servants; Hong Kong, clerical and technical workers; Indonesia, government employees; Japan, urban population; Republic of Korea, salary workers and wage earners; Laos, middle class; Singapore, low income clerks and labourers; Thailand, low salaried workers and civil servants.

a. Original base: Burma, 1941; Cambodia, 1949; Ceylon, 1952; China (Taiwan), Jan-Jun 1957 prior to 1959, 1956 since 1959; Hong Kong, Mar 1947; India, 1949; Indonesia July 1938; Japan, 1951 for period prior to 1955, 1955 for subsequent years; Republic of Korea, 1955; Laos, Dec 1948; Federation of Malaya, Jan. 1949; Pakistan, Apr 1948/Mar 1949; Philippines, 1955; Singapore, 1959; Thailand, Apr 1938/Mar 1939; Republic of Viet-Nam, 1949.

29. CURRENCY AND BANKING
End of period

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CURRENCY AND BANKING

	1953	1954	1955	1956	1957	1958	1958		1 9 5 8				
							III	IV	I	II	III	Oct	Nov
BURMA (million kyats)													
Money supply	753	842	1,116	1,343	1,106	1,311	1,298	1,311	1,584	1,603	1,566	1,526	1,511
Currency: net active	500	567	725	830	746	853	839	853	1,120	1,122	1,070	1,043	1,015
Deposit money	253	275	391	513	360	458	459	458	464	481	496	483	486
Private time deposits (Commercial banks)	52	77	122	103	100	118	117	118	122	121	130	131	174
Government deposits	498	297	248	248	282	281	293	281	300	294	336	305	291
Union Bank of Burma	464	183	130	117	77	50	55	50	44	26	55	42	57
Commercial Bank ^a	34	114	118	131	205	231	238	231	258	268	281	263	234
Bank clearings	234	241	283	333	356	310	312	280	280	315	323	312	279
Foreign assets	1,058	643	540	652	446	576	613	576	599	665	691	688	657
Union Bank of Burma	991	555	415	535	382	490	538	490	501	587	608	613	576
Commercial banks	67	88	124	117	64	86	75	86	98	78	83	75	81
Claims on private sector (commercial banks)	161	212	216	250	343	270	273	270	298	263	265	273	299
Claims on government	213	543	941	1,020	1,002	1,185	1,141	1,185	1,454	1,401	1,399	1,345	1,369
Union Bank of Burma ^b	151	388	652	662	762	710	609	710	946	818	773	748	735
Commercial banks	62	155	289	358	240	475	532	475	508	583	626	597	634
Rate of interest (% per annum)													
Call money rate	1.10	0.98	1.27	0.94	1.42	1.60	1.00	1.00	1.00	1.00	1.00	1.00	1.50
Yield of long term gov't bonds ^c	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Exchange rate (selling)	4.775	4.808	4.778	4.808	4.775	4.785	4.780	4.785	4.760	4.760	4.780	4.775	4.780
CAMBODIA (million riels)													
Money supply													
Currency: in circulation	...	...	999	1,058	1,355	1,472	1,588	1,472	1,699	1,856	1,775	1,791	1,871
Demand deposits in commercial banks	...	...	1,035	1,104	693	885	895	885	948	1,160	1,063	1,017	965
Private time deposits	...	...	37	15	84	76	100	76	89	133	159	153	173
Bank clearings	125	273	446	412	481	520	513	514	523	518	613	634	576
Foreign assets	...	...	1,968	2,559	2,911	3,442	3,540	3,442	3,506	3,757	3,718	3,732	3,736
Banque Nationale du Cambodge	...	...	1,751	2,454	2,756	3,366	3,435	3,366	3,445	3,672	3,552	3,576	3,592
Commercial banks	...	...	217	105	155	76	105	76	62	86	165	156	143
Claims on private sector	...	...	329	563	812	776	791	776	787	843	966	1,061	1,032
Claims on government by Banque Nationale du Cambodge	...	...	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
CEYLON (million rupees)													
Money supply	827	957	1,073	1,127	1,040	1,077	1,072	1,077	1,089	1,094	1,128	1,153	1,171
Currency: net active	335	342	384	401	435	530	501	530	529	546	550	568	576
Deposit money	492	615	688	726	605	547	571	547	560	548	578	585	595
Private time deposits	387	420	451	513	560	618	592	618	631	646	654	665	676
Government deposits	53	69	116	176	128	164	183	164	146	136	108	103	95
Central Bank of Ceylon	7	16	42	67	12	28	12	28	15	18	21	16	15
Commercial banks	46	53	74	109	116	136	171	136	131	118	87	88	80
Bank clearings	671	684	758	735	730	861	769	652	690	693	722	766	742
Bank debits ^d	1,148	1,107	1,060	1,063	1,111	970	1,082	951	1,004	1,008	1,031	1,128	1,112
Foreign assets	342	656	880	898	700	653	657	653	641	604	557	504	504
Central Bank of Ceylon	245	524	655	737	591	539	534	539	530	495	449	392	398
Commercial banks	97	132	225	161	109	114	122	114	111	109	109	112	106
Claims on the private sector (commercial banks)	207	247	256	344	399	436	436	436	452	447	462	458	461
Claims on government	788	622	601	682	771	918	872	918	945	993	1,074	1,157	1,187
Central Bank of Ceylon	227	27	18	11	88	261	228	261	273	318	405	470	487
Other banks	561	595	583	671	683	656	639	656	672	674	669	687	700
Rate of interest (% per annum)													
Call money rate	0.96	0.50	0.50	0.50	1.08	1.25	1.25	1.25	1.25	1.42	1.50	1.50	1.50
Treasury bill rate	1.91	1.59	0.79	0.68	0.88	1.54	1.59	1.67	1.80	1.91	2.00	2.00	2.00
Yield of long term gov't bonds ^e	3.85	3.79	3.13	3.04	2.99	2.91	2.89	2.86	2.82	2.79	2.74	2.71	2.69
Exchange rate (selling)	4.762	4.795	4.772	4.800	4.765	4.755	4.755	4.755	4.752	4.749	4.750	4.750	4.758
HONG KONG (million new Taiwan dollars)													
Money supply	1,617	2,103	2,636	3,261	3,938	5,238	4,582	5,238	5,184	5,410	5,377	5,420	5,401
Currency: net active	1,072	1,340	1,604	1,883	2,228	2,927	2,679	2,927	2,837	2,897	2,914	3,029	3,014
Deposit money	545	763	1,032	1,378	1,710	2,310	1,903	2,310	2,346	2,514	2,463	2,391	2,387
Private time deposits	698	887	1,010	1,049	1,473	2,687	2,288	2,687	3,026	3,448	3,279	3,438	3,449
Government deposits	584	810	998	1,285	1,606	1,738	1,720	1,738	1,905	1,879	2,061	2,184	2,112
Bank of Taiwan	536	743	826	1,167	1,441	1,551	1,504	1,551	1,694	1,685	1,837	1,969	1,882
Other banks	48	67	172	128	164	188	217	188	211	194	224	215	230
Counterpart funds	637	631	1,405	1,485	1,678	1,623	1,760	1,623	1,729	2,088	2,321	2,098	2,172
Bank clearings	1,740	1,720	2,887	3,857	5,121	5,410	4,914	5,568	5,788	6,977	6,935	7,707	7,375
Foreign assets													
Bank of Taiwan: net	412	134	504	528	649	1,708	1,279	1,708	1,706	1,974	1,439	1,476	1,590
Claims on private sector ^f	818	1,283	2,048	2,286	3,131	4,414	3,967	4,414	4,986	5,828	6,145	6,183	6,218
Bank of Taiwan	79	167	402	470	731	1,023	977	1,023	1,125	1,466	1,729	1,710	1,611
Other banks	737	1,116	1,646	1,816	2,400	3,391	2,991	3,391	3,861	4,362	4,416	4,473	4,608
Claims on government ^g	1,108	1,477	1,687	2,020	2,388	2,444	2,609	2,444	2,528	2,439	2,536	2,547	2,656
Bank of Taiwan	1,092	1,445	1,652	1,974	2,338	2,356	2,535	2,356	2,430	2,195	2,272	2,280	2,393
Other banks	16	32	35	46	50	88	74	88	99	244	265	266	263
Claims on official entities ^h	1,342	1,596	1,958	2,475	2,817	3,058	3,165	3,058	3,009	2,711	3,229	3,277	3,212
Bank of Taiwan	1,257	1,506	1,860	2,385	2,739	2,956	3,083	2,956	2,927	2,634	3,092	3,137	3,070
Commercial banks	85	90	98	90	78	102	82	102	82	77	137	140	142

29. CURRENCY AND BANKING (Cont'd)

CURRENCY AND BANKING

End of period

	1953	1954	1955	1956	1957	1958	1958		1959					
							III	IV	I	II	III	Oct	Nov	
CHINA (Taiwan, million new Taiwan dollars) (Cont'd)														
Exchange rate														
Buying:														
Sugar, Rice Exports	14.49	15.55	20.35	20.35	20.35	36.08	24.58	36.08	36.08	36.08				
Other Exports:														
Government	15.55	15.55	20.35	26.35	26.35	37.58	36.08	37.58	39.28	39.42	39.75	40.00	39.58	
Private	15.55	15.55	26.35	26.35	26.35	37.58	36.08	37.58	39.28	39.42				
Non-Trade	15.55	15.55	21.95	24.68	24.68	36.08	36.08	36.08	36.08	36.08				
Government Imports	15.65	18.78	24.78	24.78	24.78	36.38	24.78	36.38	36.38	36.38	36.38	36.38	36.38	
Other Imports	18.78	18.78	32.28	32.28	32.28	37.78	36.38	37.78	39.48	39.62				
Non-Trade	15.65	15.65	24.78	24.78	24.78	36.38	36.38	36.38	36.38	36.38	39.75	40.00	39.58	
Non-Trade	18.78	18.78				37.78	36.38	37.78	39.48	39.62				
FEDERATION OF MALAYA and SINGAPORE (million Malayan dollars)														
Money supply	997	1,068	1,267	1,268	1,230	1,240	1,190	1,240	1,277	1,301	1,360	1,375	1,408	
Currency: net active	846	711	861	892	889	895	861	895	911	934	967	976	976	
Deposit money	351	357	406	376	341	345	329	345	366	367	393	399	417	
Time deposits	220	243	338	320	305	352	338	352	373	400	434	446	455	
Bank debits ^a	Δ		1,438	1,600	1,679	1,628	1,625	1,707	1,715	1,748	1,768	1,823	1,770	
Foreign assets	1,213	1,289	1,539	1,468	1,375	1,466	1,345	1,466	1,436	1,459	1,524	1,560	1,570	
Currency Board	827	892	965	992	1,004	1,082	980	1,082	1,116	1,116	1,145	1,154	1,186	
Other banks (net)	386	397	574	476	371	384	365	384	320	343	379	406	410	
Claims on private sector	179	217	244	292	330	349	377	349	389	386	404	399	415	
Claims on government	35	43	37	45	38	51	49	51	54	55	62	68	65	
Exchange rate (par rate)	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.04	3.05	3.05	3.06	3.06	
HONG KONG (million HK dollars)														
Money supply	802	728	727	732	755	772	756	772	789	789	806	806	814	
Currency notes: in circulation	802	728	727	732	755	772	756	772	789	789	806	806	814	
Bank clearings	1,035	1,140	1,160	1,276	1,412	1,309	1,235	1,307	1,218	1,411	1,501	1,682	1,686	
INDIA (thousand million rupees)														
Money supply	17.09	18.32	20.47	21.79	22.76	23.50	23.15	23.50	24.99	25.31	24.31	24.70	24.70	
Currency: net active	11.66	12.25	13.86	14.85	15.27	16.06	15.35	16.06	17.25	17.35	16.63	17.16	17.10	
Deposit money	5.43	6.08	6.61	6.93	7.49	7.43	7.79	7.43	7.74	7.96	7.68	7.55	7.70	
Private time deposits	4.68	5.26	6.13	6.98	8.93	11.40	10.73	11.40	11.85	12.68	13.65	13.74	13.80	
Government deposits														
(Reserve Bank of India)	1.16	0.60	0.59	0.65	0.59	0.62	0.54	0.62	0.61	0.57	0.66	0.61	0.65	
Bank clearings	Δ	5.49	5.58	6.52	7.03	7.41	7.96	7.96	8.89	8.75	8.85	8.75	8.13	
Foreign assets (Reserve Bank of India)	7.63	7.71	7.75	6.48	4.15	3.07	3.02	3.07	3.31	3.10	2.99	3.16	3.10	
Claims on private sector	5.47	6.16	7.04	8.84	10.14	10.38	10.22	10.38	11.61	11.78	11.30	11.46	11.12	
Commercial banks	5.28	5.95	6.78	8.48	9.59	9.64	9.51	9.64	10.86	10.89	10.25	10.39	10.10	
Cooperative banks	0.19	0.21	0.26	0.36	0.55	0.74	0.71	0.74	0.75	0.89	1.05	1.07	1.00	
Claims on government	11.78	12.11	14.05	16.93	21.88	26.33	25.33	26.33	26.91	28.16	28.45	28.77	28.61	
Reserve Bank of India	6.06	6.04	7.13	9.82	14.13	16.35	15.86	16.35	17.03	18.03	16.82	17.00	17.07	
Other banks	4.58	4.98	5.74	5.96	6.63	8.84	8.37	8.84	8.67	8.90	10.46	10.57	10.75	
Treasury currency	1.14	1.09	1.18	1.15	1.12	1.14	1.10	1.14	1.21	1.24	1.16	1.21	1.19	
Rates of interest (% per annum)														
Call money rate	2.12	2.35	2.59	3.21	3.27	...	...	...	...	...	...	...	...
Yield of long-term gov't bonds ^Δ	3.64	3.65	3.72	3.92	4.13	4.17	4.16	4.09	4.05	4.06	4.05	4.01	4.05	
Exchange rate (selling)	4.768	4.808	4.778	4.805	4.770	4.780	4.770	4.780	4.755	4.758	4.778	4.770	4.770	
INDONESIA (thousand million rupiah)														
Money supply	7.49	11.12	12.23	13.39	18.91	29.37	23.93	29.37	30.02	32.38	24.66	27.88	...	
Currency: net active	5.22	7.47	8.65	9.37	14.09	19.87	16.46	19.87	20.09	22.84	20.12	21.88	...	
Deposit money	2.27	3.64	3.59	4.02	4.82	9.49	7.47	9.49	9.93	9.54	4.54	6.00	...	
Private time deposits	0.27	0.27	0.33	0.29	0.29	0.34	0.33	0.34	0.35	0.40	0.18	0.17	...	
Foreign assets (net)	2.02	1.73	2.74	1.66	1.26	2.48	1.90	2.48	2.89	2.72	3.63	11.04	...	
Bank Indonesia (net)	1.30	1.15	1.95	0.90	0.58	2.15	1.55	2.15	2.52	2.03	2.73	9.90	11.45	
Gross foreign assets	2.40	2.89	3.50	2.89	2.55	2.48	1.98	2.48	2.74	2.23	3.05	11.09	12.45	
Foreign liabilities ^a	1.10	1.74	1.55	1.99	1.97	0.33	0.43	0.33	0.22	0.20	0.32	1.19	1.05	
Other banks	0.72	0.58	0.79	0.76	0.68	0.33	0.35	0.33	0.37	0.70	0.91	1.14	...	
Claims on private sector	2.40	2.83	4.02	5.05	4.47	6.56	6.92	6.56	7.90	8.38	8.90	10.62	...	
Bank Indonesia	0.44	0.46	0.86	1.00	0.74	1.77	2.03	1.77	1.84	1.56	2.33	2.81	...	
Other banks	1.96	2.37	3.16	4.05	3.73	4.79	4.89	4.79	6.06	6.82	6.57	7.82	...	
Claims on government	5.92	9.26	9.30	11.46	20.77	30.60	26.41	30.60	33.04	35.83	31.39	31.65	29.70	
Bank Indonesia	5.40	8.61	8.50	10.58	19.15	28.46	24.31	28.46	30.85	33.56	29.09	29.38	...	
Other banks	0.02	0.02	0.02	0.02	0.67	1.03	1.05	1.03	1.04	1.08	1.07	...	...
Treasury currency	0.50	0.63	0.78	0.84	0.95	1.11	1.05	1.11	1.15	1.19	...	...	...
Exchange rate:														
Principal export rate	11.36	11.36	11.36	11.36-13.57	22.7	30.3	30.3	30.3	30.3	30.3	36.0	36.0	36.0	
Principal import rate	11.44	11.44	11.48-22.95	11.48-22.95	28.4-42.6	37.9-56.8	37.9-56.8	37.9-56.8	37.9-56.8	37.9-56.8	45.0-67.5	45.0-67.5	45.0-67.5	
Other import rate	22.89	15.26-22.89	34.42-57.38	28.68-57.38	56.8-78.1	75.8-104.2	75.8-104.2	75.8-104.2	75.8-104.2	75.8-104.2	90.0-135.0	90.0-135.0	90.0-135.0	

29. CURRENCY AND BANKING (Cont'd)
End of period

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CURRENCY AND BANKING

	1953	1954	1955	1956	1957	1958	1958		1959				
							III	IV	I	II	III	Oct	Nov
INDIA (thousand million rupees, 20th of last month of period)													
Money supply	18.17	18.52	20.22	23.59	27.70	36.33	34.03	36.33	36.70	37.25	38.77	39.29	39.89
Currency: net active	16.51	16.84	17.71	20.78	24.26	27.79	27.79	27.79	30.83	29.59	30.75	31.06	30.76
Deposit money	1.66	1.68	2.51	2.81	3.44	7.00	6.24	7.00	5.86	7.66	8.02	8.23	9.13
Private time deposits	3.28	3.68	4.12	5.31	5.79	7.30	7.51	7.30	8.78	8.82	9.08	9.21	10.14
Government deposits	3.49	3.97	4.08	4.57	6.07	8.08	7.35	8.08	7.53	10.25	9.12	11.58	10.08
Bank debits	10.88	13.98	15.33	16.80	18.20	20.71	18.18	25.14	21.15	20.33	...	...	...
Foreign assets ^a (National bank)	7.12	6.76	7.11	8.44	18.57	19.13	20.49	19.13	17.29	15.84	14.40	17.29	15.00
Claims on private sector	6.46	8.06	9.71	10.81	13.98	22.61	19.78	22.61	25.28	27.26	30.80	32.13	32.46
National Bank	3.47	4.49	5.72	7.45	8.37	12.73	11.43	12.73	13.89	13.56	15.31	16.08	16.12
Commercial banks	2.99	3.57	3.99	3.36	5.61	9.88	8.35	9.88	11.40	13.70	15.49	16.05	16.34
Claims on government	...	...	...	...	...	...	...	...	...	...	...	...	...
(National bank)	11.00	11.24	11.08	11.94	12.59	14.14	14.39	14.14	14.90	14.56	14.05	14.66	13.37
Claims on official entities	...	...	...	...	...	...	...	...	...	...	...	...	...
(National bank)	5.02	5.82	6.24	6.88	9.09	12.27	9.73	12.27	12.74	13.67	15.46	13.54	15.32
Exchange rate: selling	90.50	84.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50
JAPAN (thousand million yen)													
Money supply	1,937	2,013	2,331	2,714	2,824	3,185	2,658 ^f	3,185	2,960	3,023	3,117	...	...
Currency: net active	593	586 ^f	627 ^f	721 ^f	750	793 ^f	592 ^f	793 ^f	642 ^f	703	695	...	...
Deposit money	1,344	1,427 ^f	1,705	1,994	2,074 ^f	2,392	2,066 ^f	2,392 ^f	2,318 ^f	2,321	2,432	...	...
Time deposits (other banks)	...	2,534	3,064	3,837	4,767	5,867	5,547	5,867	6,195	6,447	6,830	...	...
Government deposits	...	171	179	210	221	251	250	251	355	259	256	...	...
Bank of Japan	58	67	61	66	46	54	50	54	158	41	36	...	...
Other banks	...	104	118	144	175	197	200	197	197	218	220	...	...
Bank clearings	2,080	2,430	2,750	3,342	4,264	4,745	4,832	5,132	4,585	4,641	4,730	...	...
Foreign assets	...	302	447	457	272	396	321	396	436	451	466	...	...
Bank of Japan	19	31	170	153	6	91	37	91	122	146	148	...	...
Foreign Exchange Fund	297	342	289	355	282	305	278	305	326	354	374	...	...
Other banks	...	9	12	51	4	6	...	...	11	49	56	...	...
Claims on private sector	...	4,164	4,684	5,917	7,253	8,501	8,107	8,501	8,840	9,177	9,690	...	...
Claims on government	...	264	450	465	471	675	357	675	609	522	492	...	...
Rates of interest (% per annum)	...	...	...	...	...	...	...	...	...	...	...	...	...
Call money rate (Tokyo)	7.82	7.84	7.36	6.57	10.94	9.69	9.37	8.22	8.34	8.58	8.40	8.40	8.40
Yield of long-term gov't bonds ^m	6.68	7.01	6.33	6.34	6.33	6.32	6.32	6.32	6.32	6.32	6.32	...	...
Exchange rate (par rate)	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0
KOREA, Republic of (thousand million hwan)													
Money supply	33.6	62.2	99.6	136.1	158.4	213.5	182.4	213.5	233.5	208.4	206.1	208.1	213.5
Currency: in circulation	22.4	40.0	58.8	73.4	86.2	111.1	88.4	111.1	98.7	94.0	102.0	106.2	111.7
Deposit money	11.2	22.2	40.8	62.8	72.2	102.4	94.1	102.4	134.8	114.4	104.1	102.0	101.9
Uncleared checks and bills	2.0	4.1	5.9	14.9	12.9	20.5	16.2	20.5	22.0	1.7	2.3	1.0	2.9
Time deposits ⁿ	3.8	5.0	10.0	16.9	17.6	24.0	22.1	24.0	29.6	40.2	48.5	47.1	50.2
Bank clearings	21.4	51.8	107.4	207.7	201.2	226.9	225.6	267.9	274.9	286.4	285.9	290.7	299.7
Government deposits	15.9	17.6	33.4	68.0	133.0	125.9	126.1	125.9	122.3	116.2	119.7	137.1	126.5
Counterpart funds	0.2	16.1	14.2	83.0	115.9	104.5	122.1	104.5	114.3	84.1	82.4	72.3	66.6
Foreign assets (Bank of Korea)	11.2	8.0	14.2	15.8	23.8	39.6	30.5	39.6	41.0	40.0	42.5	42.9	40.4
Gross foreign assets	18.2	19.0	47.4	48.6	57.0	72.4	63.3	72.4	73.9	72.5	74.5	74.9	72.5
Foreign liabilities ^p	4.4	8.5	23.4	23.1	23.5	23.1	23.1	23.1	22.8	22.2	22.3	22.4	22.4
Revaluation proceeds	2.6	2.5	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Claims on private sector	20.7	24.2	42.7	76.9	113.5	162.8	140.3	162.8	175.5	178.4	180.7	181.4	176.4
Bank of Korea	5.5	2.0	5.5	5.8	5.9	5.4	5.7	5.4	5.3 ^f	5.3	5.8	5.5	5.8
Other banks	15.3	22.2	37.2	71.1	107.7	157.4	134.6	157.4	170.2	173.2	175.2	175.9	170.6
Claims on government	25.9	68.7	111.4	213.5	304.9	308.3	312.0	308.3	324.9	297.8	291.3	293.4	290.7
Bank of Korea	25.2	67.5	109.5	209.7	299.9	303.4	306.9	303.4	320.1	293.0	286.6	288.7	286.0
Other banks	0.7	1.3	1.9	3.7	5.0	4.9	5.0	4.9	4.8	4.8	4.8	4.8	4.8
Claims on official entities	4.7	1.0	3.5	5.4	9.6	17.5	13.7	17.5	17.3	17.1	16.9	17.1	17.0
Bank of Korea	1.8	0.5	2.7	4.0	8.0	16.0	12.0	16.0	16.0	16.0	16.0	16.0	16.0
Commercial banks	2.9	0.4	0.8	1.4	1.6	1.5	1.7	1.5	1.3	1.2	1.0	1.0	1.0
Exchange rate (official)	180	180	500	500	500	500	500	500	500	500	500	500	500
PAKISTAN (million rupees)													
Money supply	3,543	3,803	4,369	4,923	5,234	5,502	5,273	5,502	5,447	5,560	5,496	5,529	5,596
Currency: in circulation	2,372	2,575	2,990	3,466	3,583 ^r	3,742	3,460	3,742	3,656	3,647	3,543	3,566	3,671
Deposit money	1,196	1,281	1,556	1,469	1,655	1,770	1,832	1,770	1,861	1,935	1,986	1,975	1,953
Time deposits	644	807	889	968	1,083	1,180	1,225	1,180	1,171	1,239	1,346	1,352	1,402
Bank clearings ^a	536	555	593	696	761	789	758	816	928	860	929	1,001	1,101
Government deposits	216	173	152	432	764	822	677	822	838	829	913	845	871
Foreign assets (State Bank of Pakistan) ^b	935	1,038	1,648	1,659	1,268	1,228	1,035	1,228	1,234	1,304	1,385	1,385	1,390
Claims on private sector	...	...	...	...	...	...	...	...	...	...	...	...	...
(scheduled banks)	802	984	1,183	1,256	1,294	1,314	1,249	1,314	1,290	1,200	1,235	1,243	1,326
Claims on government	2,270	2,572	2,501	3,055	3,684	3,998	3,895	3,998	3,981	3,916	3,859	3,846	3,941
State Bank of Pakistan	1,247	1,404	1,205	1,663	2,125	2,329	2,230	2,329	2,291	2,166	2,026	2,025	2,080
Other banks	820	937	1,036	1,119	1,260	1,367	1,371	1,367	1,382	1,446	1,532	1,519	1,555
Treasury currency	213	230	260	283	298	302	294	302	308	305	300	301	305
Claims on provincial governments	98	145	122	117	228	256	172	256	194	220	246	235	246
State Bank of Pakistan	8	53	12	2	119	122	51	122	60	86	79	63	70
Scheduled banks	91	92	110	115	109	134	121	134	134	134	166	172	175
Rates of interest (% per annum)	...	...	...	...	...	...	...	...	...	...	...	...	...
Call money rate	1.01	1.30	1.45	2.04	2.03	1.66	0.62	2.29	2.43	1.28	0.95	0.40	0.50
Yield of long-term government bonds ^c	3.06	3.14	3.15	3.15	3.20	3.20	3.20	3.21	3.22	3.23	3.23	3.24	3.25
Exchange rate (selling)	3.320	3.340	4.782	4.805	4.778	4.785	4.778	4.785	4.762	4.765	4.782	4.778	4.785

CURRENCY AND BANKING

29. CURRENCY AND BANKING (Cont'd)
End of period

	1953	1954	1955	1956	1957	1958	1958		1 9 5 9					
							III	IV	I	II	III	Oct		
PHILIPPINES (million pesos)														
Money supply	1,224	1,226	1,336	1,499	1,598	1,738	1,655	1,738	1,826	1,790	1,813	1,834	1,840	1958
Currency: net active	666	676	670	718	781	818	786	818	807	796	822	857	860	1958
Deposit money	558	550	666	780	817	919	869	919	1,019	994	991	977	977	1958
Private time deposits	461	526	586	658	803	868	868	858	911	932	976	1,021	1,021	1958
Bank clearings Δ	520	550	614	739	876	915	917	895	995	1,203	...	...	...	1958
Bank debits ^a Δ	743	815	921	1,145	1,335	1,492	1,435	1,484	1,559	1,770	1,790	1,862	1,862	1958
Government deposits	150	132	196	201	169	225	198	225	201	363	288	250	250	1958
Central Bank of the Philippines	55	32	63	112	56	154	115	154	140	298	216	177	177	1958
Philippine National Bank	95	100	133	168	113	71	83	71	61	65	72	73	73	1958
Foreign assets (net)	593	545	418	450	201	182	235	182	216	244	319	312	312	1958
Central Bank	481	415	310	322	62	75	96	75	83	111	162	152	152	1958
Other banks	112	130	108	118	139	107	139	107	133	135	157	161	161	1958
Claims on private sector (other banks)	848	939	1,106	1,254	1,513	1,588	1,491	1,588	1,633	1,650	1,703	1,734	1,734	1958
Claims on government	439	417	577	707	780	907	817	907	919	1,034	957	895	895	1958
Central Bank of the Philippines	344	304	349	381	632	762	671	762	767	887	...	...	...	1958
Other banks	95	113	228	326	147	144	146	144	152	148	...	...	...	1958
Claims on official entities	124	160	226	268	376	462	463	462	494	489	494	503	503	1958
Central Bank of the Philippines ^c	52	115	185	198	315	393	401	393	407	409	409	...	...	1958
Other banks	71	45	41	68	60	69	62	69	87	80	85	88	88	1958
Exchange rate (selling)	2.358-2.015	2.358-2.015	2.358-2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	1958
THAILAND (million baht)														
Money supply	5,660	6,245	7,195	7,700	8,041	8,342	8,055	8,342	8,575	8,123	8,363	8,489	8,489	1958
Currency: net active	4,016	4,548	5,176	5,419	5,577	5,504	5,325	5,504	5,792	5,428	5,450	5,495	5,495	1958
Deposit money	1,644	1,697	2,019	2,281	2,464	2,838	2,730	2,838	2,783	2,695	2,913	2,994	2,994	1958
Time deposits	518	652	824	1,048	1,223	1,459	1,365	1,459	1,463	1,494	1,649	1,662	1,662	1958
Government deposits	1,221	974	1,110	1,244	1,362	1,287	1,345	1,287	1,409	...	...	...	...	1958
Bank of Thailand	975	693	763	1,132	1,120	1,086	1,113	1,086	1,196	1,349	...	...	...	1958
Deposit money banks	246	281	347	112	242	201	232	201	213	...	...	...	...	1958
Bank clearings Δ	2,366	2,230	2,598	2,816	3,095	3,451	3,410	3,414	3,881	3,884	3,481	3,461	3,461	1958
Foreign assets	1,160	192	2,635	2,905	3,036	2,960	3,036	2,960	3,048	3,124	3,035	3,035	3,035	1958
Bank of Thailand	3,782	3,426	4,585	4,840	5,172	5,096	5,173	5,096	5,184	5,261	5,171	5,172	5,172	1958
Exchange Fund . . . . .	...	...	1,252	1,244	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1958
Profits on exchange	2,623	3,233	3,202	3,178	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163	1958
Claims on private sector	1,978	2,281	3,000	3,440	4,084	4,788	4,591	4,788	5,095	5,088	5,260	5,323	5,323	1958
Claims on government	5,221	6,520	5,724	6,147	6,277	6,836	6,248	6,836	6,845	6,490	6,613	6,736	6,736	1958
Bank of Thailand	4,965	6,340	5,452	5,854	5,934	6,242	5,903	6,242	6,296	6,072	6,135	6,224	6,224	1958
Deposit money banks	256	180	272	293	343	394	345	394	349	418	478	512	512	1958
Treasury bill rate (% per annum) ^d	2.25	2.27	2.26	2.28	2.27	2.91	2.98	2.98	2.99	2.99	2.99	2.99	2.99	1958
Exchange rate (selling)	21.16	20.88	20.91	20.66	20.90	21.10	21.09	21.10	21.19	21.17	21.19	21.19	21.19	1958
VIET-NAM, Republic of (thousand million piastre)														
Money supply . . . . .	...	...	12.32	12.35	11.60	...	...	...	12.72	12.90	13.52	...	...	1958
Currency: net active . . . . .	...	...	6.78	8.26	7.56	...	...	...	8.56	8.36	8.66	...	...	1958
Deposit money . . . . .	...	...	5.55	4.09	4.05	...	...	...	4.15	4.55	4.86	...	...	1958
Time deposits . . . . .	...	...	0.50	1.26	0.85	1.08	1.09	1.08	1.40	1.12	0.95	...	...	1958
Bank clearings Δ	...	...	3.13	2.86	3.20	3.21	3.33	2.85	3.33	3.42	3.32	...	...	1958
Foreign assets . . . . .	...	...	4.29	4.64	5.12	5.89	5.91	5.89	5.39	5.41	...	...	...	1958
Banque Nationale du Viet-Nam . . . . .	...	1.05	4.36	4.61	4.82	5.57	5.64	5.57	5.18	5.24	5.68	5.85	5.85	1958
Other banks (net) . . . . .	...	...	0.07	0.03	0.30	0.32	0.27	0.32	0.21	0.18	...	...	...	1958
Claims on private sector . . . . .	...	...	1.62	1.81	3.22	3.01	2.99	3.01	3.37	3.38	...	...	...	1958
Claims on government . . . . .	...	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	1958
Banque Nationale du Viet-Nam . . . . .	...	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	1958
Exchange rate: . . . . .	...	...	...	...	...	...	...	...	...	...	...	...	...	1958
Official rate	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	1958
Controlled free rate	—	—	—	—	73.00	73.00	73.50	73.50	73.50	73.50	73.50	73.50	73.50	1958

GENERAL NOTE: Net active currency: Total currency outstanding less holdings in all banks including the central bank and in government treasuries. Currency in circulation: Total currency outstanding less holdings in all banks including the central bank. Deposit money: Private deposits in all banks, subject to cheque or withdrawable on demand, excluding inter-bank liabilities. Government deposits: Including government currency holdings. Bank clearings: Total value of cheques and other collection items cleared through clearing houses. Claims on private sector: Claims by the banking system arising from the rendering of loans and advances, discounting of bills, the holding of securities in private companies, etc. Claims on government: Holdings of government bonds, treasury bills and government guaranteed securities by the banking system, plus circulation of treasury currency. Rates of interest: Rates prevailing in the capital city, except for India, where Bombay rates are used. Call money rate is inter-bank rate on money at call. Exchange rates are shown in unit of national currency per US dollar.

- Δ Monthly averages or calendar months.
a. Deposits of State Boards in State Commercial Bank (excluding the State Agricultural Bank).
b. Including a constant amount of 99 million kyats, which is the value of a promissory note issued as cover for the currency issue.
c. 5 year treasury bonds.
d. Debts to demand deposits of private sector.
e. 3% national development loan 1965-1970 to earliest redemption date.
f. Including bank's holdings of stocks and debentures.

- g. Including the counterpart of post office demand deposits.
h. Cheques sent out for local clearing and debits to current deposit accounts.
i. Running yield of 3% consols 1986 to earliest redemption date.
j. Payments agreement liabilities, mainly to Japan and the Netherlands.
k. Foreign assets were revalued in May 1957. The revaluation proceeds (7 billion rials) are held by the National Bank and are to be used for long term development.
m. Weighted yield (simple rate of interest) to latest redemption date of medium dated government bonds issued during the period stated.
n. Including deposits of local government and government institutions in commercial banks and non-governmental foreign currency deposits in Bank of Korea.
p. Clearing accounts with Japan.
q. The number of clearing houses was increased in 1952 and 1953.
r. Including outstanding assets receivable from the Reserve Bank of India under the partition agreements; excluding foreign assets of Banking Department.
t. Yield to maturity of 3% bonds 1963.
u. Total debits to checking account of private sector, except for 1947 when debits to government deposits are included.
v. Including a constant amount of 107 million pesos from 1962, representing the difference between foreign assets transferred from the Treasury and its note and coin issue, for which the Bank assumed liability.

PUBLIC FINANCE

30. GOVERNMENT REVENUE AND EXPENDITURE

Millions

	Type of account	Total revenue	Total expenditure	Balance		Type of account	Total revenue	Total expenditure	Balance
AFGHANISTAN (afghanis)					JAPAN (thousand million yen)				
1954/55	A	964	1,030	- 66	1955/56	A	1,033	1,044	- 11
1955/56	DE	989	1,301	- 312	1956/57	A	1,188	1,099	+ 89
1956/57	DE	1,276	1,779	- 503	1957/58	A	1,332	1,221	+ 111
BRUNEI (Malayan dollars)					1958/59	RE	1,286	1,353	- 67
1955	A	104.1	43.0	+ 61.1	1959/60	DE	1,422	1,499	- 77
1956	RE	116.8	48.1	+ 68.7	KOREA, Republic of (hwan)				
1957	RE	130.6	58.3	+ 72.3	Apr 1954/Jun 1955	A	75,880	138,800	- 62,920
KHMER (kyats)					Jul 1955/Dec 1956	A	152,677	262,239	- 109,622
1955/56	A	723	1,006	- 283	1957	A	157,939	327,009	- 169,070
1956/57	A	1,049	1,137	- 88	1958	RE	209,836	365,146	- 155,310
1957/58	A	1,006	1,276	- 270	1959	DE	263,710	374,737	- 111,027
1958/59	RE	952	1,375	- 423	LAOS (kips)				
1959/60	DE	971	1,268	- 297	1955	E	424	1,155	- 731
CAMBODIA (riels)					1956	E	490	1,169	- 679
1955		1,637 E	2,475 RE	- 838	1957/58	RE	802	1,374	- 572
1956		1,721 E	1,755 A	- 34	1958/59	RE	648	1,824	- 1,176
1957	DE	1,899	2,250	- 351	1959/60	E	1,102	2,068	- 966
1958	DE	2,433	2,650	- 217	NEPAL (rupees)				
1959	DE	2,630	3,140	- 510	1955/56	A	33.6	45.2	- 11.6
Ceylon (rupees)					1956/57	RE	42.9	48.1	- 5.2
1955/56	A	1,166	1,232	- 66	1957/58	E	57.6	65.7	- 8.1
1956/57	A	1,160	1,405	- 245	1958/59	RE	76.4	79.8	- 3.4
1957/58	A	1,171	1,444	- 273	1959/60	DE	102.6	100.8	+ 1.8
1958/59	E	1,207	1,742	- 535	NORTH BORNEO (Malayan dollars)				
1959/60	E	1,251	1,682	- 431	1955	A	29.6	40.4	- 10.8
CHINA (mainland, yuan)					1956	A	33.7	42.5	- 8.8
1955	A	27,203	29,347	- 2,144	1957	A	35.5	46.9	- 11.4
1956	A	28,743	30,574	- 1,831	1958	A	37.6	56.5	- 18.9
1957	A	31,010	30,420	+ 590	1959	RE	45.7	50.4	- 4.7
1958	A	41,860	40,960	+ 900	1960	DE	45.0	61.3	- 16.3
1959	A	54,160	52,770	+ 1,390	PAKISTAN (rupees)				
CHINA (Taiwan, new Taiwan dollars)					1955/56	A	1,343	1,972	- 629
1955/56	A	3,947	3,798	- 149	1956/57	A	1,371	1,998	- 627
1956/57	A	4,226	4,226	-	1957/58	A	1,555	2,730	- 1,175
1957/58	A	5,454	5,408	+ 46	Apr 1958/Jun 1959	RE	2,075	3,423	- 1,348
1958/59	DE	5,725	5,725	-	1959/60	DE	1,672	2,928	- 1,256
FEDERATION OF MALAYA (Malayan dollars)					PHILIPPINES (pesos)				
1955	A	822	897	- 75	1955/56	A	862	980	- 118
1956	A	893	1,014	- 121	1956/57	A	977	1,057	- 80
1957	A	874	989	- 114	1957/58	A	1,015	1,086	- 71
1958	RE	810	1,098	- 288	1958/59	RE	1,021	1,063	- 42
1959	DE	824	1,112	- 288	1959/60	DE	1,234	1,215	+ 19
HONG KONG (Hong Kong dollars)					SARAWAK (Malayan dollars)				
1955/56	A	427	400	+ 27	1955	A	49.8	44.4	+ 5.4
1956/57	A	473	477	- 4	1956	A	51.4	60.4	- 9.0
1957/58	A	546	531	+ 15	1957	A	52.2	77.5	- 25.3
1958/59	A	582	633	- 51	1958	A	60.0	73.4	- 13.4
1959/60	DE	568	752	- 184	1959	RE	66.9	85.7	- 18.8
INDIA (rupees)					1960	DE	63.9	93.8	- 29.9
Central Government					SINGAPORE (Malayan dollars)				
1955/56	A	6,608	10,061	- 3,453	1955	A	208	221	- 13
1956/57	A	7,658	11,678	- 4,020	1956	A	231	252	- 21
1957/58	A	9,219	16,032	- 6,813	1957	A	242	277	- 35
1958/59	RE	9,554	18,121	- 8,567	1958	A	271	337	- 66
1959/60	DE	9,881	19,162	- 9,281	1959	RE	259	280	- 21
States					1960	DE	269	359	- 90
1955/56	RE	5,601	9,476	- 3,875	THAILAND (baht)				
1956/57	DE	5,770	10,344	- 4,574	1955	A	4,367	5,025	- 658
1957/58	A	7,056	9,634	- 2,578	1956	A	5,076	5,667	- 591
1958/59	RE	7,888	11,190	- 3,302	1957	A	5,168	5,951	- 783
1959/60	DE	8,339	11,916	- 3,577	1958	A	5,585	6,340	- 755
INDONESIA (rupiah)					1959	DE	5,930	7,359	- 1,429
1955	A	14,226	16,316	- 2,090	1960	DE	6,520	7,700	- 1,180
1956	A	18,451	20,015	- 1,564	VIET-NAM, Republic of (piastres)				
1957	A	20,571	25,610	- 5,039	1956	A	7,251 A	12,471 DE	- 5,220
1958	A	23,273	35,313	- 12,040	1957	DE	8,461	14,160	- 5,699
IRAN (rials)					1958	DE	8,701	7,934	- 767
1955/56	PR	17,353	23,445	- 6,092	1959	DE	9,943	9,176	- 767
1956/57	PR	23,969	30,829	- 6,860					
1957/58	E	31,387	40,112	- 8,725					

For explanatory notes see page 154.

31. MAJOR COMPONENTS OF TAX REVENUE

	Type of account	Total revenue	Tax revenue	Tax on income and wealth	Land tax	Customs duties			Transaction and consumption taxes	Licences, stamp duties, registration fees, etc.	Other tax revenue
						Total	Import duties	Export duties			
AFGHANISTAN (afghanis)											
1954/55	A	964	868	98	77	401	...	...	— 251 —		41
1955/56	RE	989	845	105	76	401	...	...	222		41
1956/57	DE	1,276	...	...	...	...	...	...	...		...
BRUNEI (Malayan dollars)											
1954	A	96.0	59.0	54.3	—	4.5	4.4	0.1	—	0.1	0.1
1955	A	104.1	54.4	50.1	—	4.0	3.8	0.2	—	0.2	0.1
1956	RE	116.8	59.3	54.7	—	4.1	4.0	0.1	—	0.4	0.1
1957	RE	130.6	...	...	...	...	...	...	...	...	...
BURMA (kyats)											
1954/55	A	1,093	847	243	24	255	238	17	104	13	208
1955/56	A	723	654	224	22	214	197	17	115	16	63
1956/57	A	1,049	909	264	25	298	279	19	147	19	158
1957/58	A	1,006	834	228	28	279	256	23	171	21	107
1958/59	RE	952	769	235	28	250	226	24	173	21	61
1959/60	DE	971	785	222	30	256	237	19	178	22	77
CAMBODIA (riels)											
1954	E	1,665	1,177	108	32	624	...	...	270	85	58
1955	E	1,637	1,276	97	29	624	...	...	288	132	108
1956	E	1,721	1,548	121	42	361	291	70	673	191	160
1957	E	1,899	1,561	111	17	410	347	63	673	190	160
1958	E	2,433	2,096	158	14	639	586	53	711	300	274
1959	E	2,630	2,251	168	15	645	558	87	733	333	357
CEYLON (rupees)											
1953/54	A	946	835	231	—	503	244	259	67	19	15
1954/55	A	1,075	944	220	—	629	258	371	57	19	19
1955/56	A	1,166	1,034	314	—	608	286	322	70	23	19
1956/57	A	1,160	1,042	283	—	628	304	324	81	25	25
1957/58	A	1,171	1,044	279	—	617	292	325	93	19	36
1958/59	E	1,207	1,078	238	—	684	328	356	95	29	32
1959/60	E	1,251	1,109	232	—	678	349	329	128	33	38
FED. OF MALAYA (Malayan dollars)											
1954	A	646	523	136	—	318	206	112	20	35	14
1955	A	822	677	117	—	486	251	235	22	34	18
1956	A	893	722	148	—	493	276	217	24	39	18
1957	A	874	695	132	—	475	295	180	27	44	17
1958	RE	810	626	123	—	419	282	137	25	46	15
1959	DE	824	637	136	—	412	288	124	25	50	14
HONG KONG (Hong Kong dollar)											
1954/55	A	415	289	159	—	63	63	—	25	23	19
1955/56	A	427	296	154	—	71	71	—	28	34	9
1956/57	A	473	326	171	—	80	80	—	31	36	9
1957/58	A	546	365	194	—	86	86	—	33	42	10
1958/59	RE	582	385	209	—	91	91	—	34	35	16
1959/60	DE	568	386	214	—	96	96	—	29	36	11
INDIA (rupees)											
Central Government											
1955/56	A	6,608	4,113	1,140	—	1,667	1,280	387	...	...	1,306
1956/57	A	7,658	4,938	1,444	—	1,732	1,405	327	...	...	1,702
1957/58	A	9,219	5,754	1,538	—	1,800	1,509	291	...	...	2,415
1958/59	RE	9,554	5,302	1,556	—	1,360	1,126	234	...	...	2,385
1959/60	DE	9,881	5,583	1,622	—	1,328	1,106	222	...	...	2,630
States											
1953/54	A	4,689	3,303	626	707	—	—	—	1,369	414	187
1954/55	A	5,003	3,372	632	726	—	—	—	1,448	407	160
1955/56	RE	5,601	3,495	651	803	—	—	—	1,488	425	128
1956/57	DE	5,770	3,667	636	927	—	—	—	1,515	449	140
1957/58	A	7,056	4,695	852	873	—	—	—	2,229	540	201
1958/59	RE	7,888	5,141	879	928	—	—	—	2,583	566	185
1959/60	DE	8,339	5,310	906	1,004	—	—	—	2,598	592	210
INDONESIA (rupiah)											
1954	A	11,439	7,871	2,408	10	1,547	995	552	3,705	87	114
1955	A	14,226	9,866	3,081	8	1,860	1,106	754	4,705	98	114
1956	A	18,451	13,683	3,121	11	2,296	1,872	424	8,033	114	106
1957	A	20,571	13,791	3,457	11	1,990	1,791	199	7,998	147	188
1958	A	23,274	13,902	3,989	11	1,829	1,644	185	7,592	147	334
IRAN (rials)											
1954/55	FR	11,294	9,819	1,114	...	4,231	...	...	...	...	4,474
1955/56	FR	17,353	16,161	1,214	...	4,316	...	...	...	...	10,631
1956/57	FR	23,969	23,057	1,593	...	5,337	...	...	...	...	16,127
1957/58	E	31,387	30,322	2,300	...	7,000	...	...	...	...	21,022

31. MAJOR COMPONENTS OF TAX REVENUE (Cont'd)

	Type of account	Total revenue	Tax revenue	Tax on income and wealth	Land tax	Customs duties			Transaction and consumption taxes	Licences, stamp duties, registration fees, etc.	Other tax revenue
						Total	Import duties	Export duties			
JAPAN (thousand million yen)											
1954/55	A	1,007	934	496	—	24	...	...	414	—	—
1955/56	A	1,033	936	481	—	27	...	...	428	—	—
1956/57	A	1,188	1,087	577	—	46	...	...	464	—	—
1957/58	A	1,332	1,249	628	—	51	...	...	570	—	—
1958/59	RE	1,286	1,174	588	—	44	...	...	542	—	—
1959/60	DE	1,422	1,274	625	—	79	...	...	570	—	—
KOREA, Republic of (hwan)											
Apr 1954/Jun 1955	A	75,880	57,844	14,921	7,577	9,983	...	...	18,014	1,495	5,854
Jul 1955/Dec 1956	A	152,677	120,543	33,122	13,103	22,453	...	...	38,988	2,877	10,000
1957	A	157,939	133,562	26,746	27,674	23,763	...	...	35,516	3,663	16,200
1958	RE	209,836	168,168	33,155	20,350	24,825	...	...	43,854	9,337	36,647
1959	E	263,710	220,934	38,143	20,437	32,222	...	...	50,922	21,769	57,441
LAOS (kips)											
1954	E	358	286	7	1	153	146	7	113	4	8
1955	E	424	242	9	—	100	100	—	115	11	7
1956	E	490	464	44	—	251	251	—	129	33	7
1957/58	RE	802	768	259	—	—	—	—	509	—	—
1958/59	RE	648	586	200	...	—	—	—	386	—	—
1959/60	E	1,102	987	513	...	—	—	—	474	—	—
NEPAL (rupees)											
1954/55	E	43.1	...	...	...	13.6	...	...	2.5	...	...
1955/56	A	33.6	...	...	...	12.6	...	...	2.2	...	...
1956/57	RE	42.9	...	...	...	18.5	...	...	2.8	...	...
1957/58	E	57.6	...	...	...	23.5	...	...	4.0	...	...
1958/59	RE	76.4	57.5	...	18.4	27.9	...	...	6.5	...	47
1959/60	DE	102.6	63.4	...	19.6	32.0	...	...	5.8	...	6.0
NORTH BORNEO (Malayan dollars)											
1954	A	23.8	15.9	2.3	0.2	12.0	9.0	3.0	—	0.5	0.9
1955	A	29.6	20.7	1.9	0.1	16.5	9.5	7.0	—	0.4	1.8
1956	A	33.7	23.1	3.0	0.1	18.0	11.5	6.5	—	0.5	1.5
1957	A	35.5	23.9	3.0	0.1	18.9	12.9	6.0	—	0.6	1.3
1958	A	37.6	24.5	3.2	—	18.9	12.7	6.2	—	0.7	1.7
1959	RE	45.7	28.2	3.2	—	22.5	14.3	8.2	—	1.1	1.4
1960	DE	45.0	27.5	3.7	—	21.5	14.7	6.8	—	1.0	1.3
PAKISTAN (rupees)											
1954/55	A	1,209	908	227	3	416	...	...	227	5	30
1955/56	A	1,343	968	198	—	509	...	...	222	6	33
1956/57	A	1,371	983	208	6	471	...	...	263	7	28
1957/58	A	1,555	1,033	250	1	421	...	...	319	7	35
Apr 1958/Jun 1959	RE	2,075	1,395	403	2	529	...	...	403	10	48
1959/60	DE	1,672	1,152	264	2	441	...	...	390	8	47
PHILIPPINES (pesos)											
1954/55	A	795	681	129	—	303	303	—	127	105	17
1955/56	A	862	738	142	—	247	247	—	135	190	24
1956/57	A	977	821	154	—	274	274	—	155	201	37
1957/58	A	1,015	812	162	—	262	262	—	170	180	38
1958/59	RE	1,021	803	167	—	219	219	—	178	167	72
1959/60	DE	1,234	1,058	175	—	432	432	—	182	175	94
SARAWAK (Malayan dollars)											
1954	A	41.7	31.7	6.8	—	22.3	12.0	10.3	1.0	0.4	1.2
1955	A	49.8	38.2	6.5	—	27.8	13.5	14.3	1.3	0.5	2.1
1956	A	51.4	37.8	7.3	—	26.0	13.9	12.1	1.3	0.6	2.6
1957	A	52.2	38.1	8.5	—	25.4	15.2	10.2	1.2	0.7	2.3
1958	A	60.0	43.2	12.1	—	25.8	16.7	9.1	1.4	1.2	2.7
1959	RE	66.9	50.3	10.0	—	35.2	19.7	15.5	1.8	0.9	2.4
1960	DE	63.9	47.5	11.5	—	31.2	19.5	11.7	1.4	1.1	2.3
SINGAPORE (Malayan dollars)											
1954	A	217	164	77	—	62	62	—	18	3	4
1955	A	208	157	64	—	68	68	—	18	3	4
1956	A	231	177	73	—	75	75	—	19	4	6
1957	A	242	189	70	—	85	85	—	21	6	7
1958	A	271	195	70	—	91	91	—	20	8	6
1959	RE	259	198	79	—	85	85	—	20	11	3
1960	DE	269	204	69	—	98	98	—	21	11	5
THAILAND (bath)											
1954	A	4,260	3,904	274	—	1,365	1,145	220	1,169	159	937
1955	A	4,367	3,990	312	—	1,648	1,296	352	1,189	193	648
1956	A	5,076	4,650	354	—	1,816	1,413	403	1,277	189	1,014
1957	A	5,168	4,681	380	—	1,901	1,490	411	1,233	196	971
1958	A	5,585	5,105	405	—	1,907	1,614	293	1,561	241	991
1959	DE	5,930	5,414	441	—	2,021	1,737	284	1,592	238	1,122
1960	DE	6,520	6,085	594	—	2,308	1,932	376	1,747	366	1,070
VIET-NAM, Republic of (piastres)											
1957	DE	8,461	7,074	729	140	1,702	1,702	—	3,934	407	162
1958	DE	8,701	7,741	634	140	2,003	2,003	—	4,338	440	186
1959	DE	9,943	8,169	657	142	2,170	2,170	—	4,555	443	202

For explanatory notes see page 154.

32. MAJOR COMPONENTS OF GOVERNMENT EXPENDITURE

	Type of account	Total expenditure	Defence	Subsidies	Economic services	Social services	Contributions to provincial and local gov'ts	Other current expenditure	Investment	Loans and advances (net)
AFGHANISTAN (afghanis)										
1954/55	A	1,030	418	...	...	54	...	252	306	...
1955/56	RE	1,301	528	...	...	79	...	82	612	...
1956/57	DE	1,779	...	...	...	...	...	...	...	...
BRUNEI (Malayan dollars)										
1954	A	30.6	—	—	2.0	2.2	—	6.3	20.1	—
1955	A	43.0	—	—	3.2	2.9	—	13.1	23.8	—
1956	RE	48.1	—	—	4.1	3.9	—	10.4	29.7	—
1957	RE	58.3	—	—	...	...	—	...	...	—
BURMA (kyats)										
1954/55	A	1,148	333	—	50	119	32	249	141	225
1955/56	A	1,006	353	—	48	128	27	251	77	122
1956/57	A	1,137	368	—	56	144	29	288	79	173
1957/58	A	1,276	408	—	65	160	39	310	114	180
1958/59	RE	1,375	407	—	58	154	40	324	115	277
1959/60	DE	1,268	409	—	63	155	26	313	126	176
CAMBODIA (rials)										
1954	RE	2,612	1,639	...	72	347	12	435	113	...
1955	RE	2,475	1,107	...	89	399	16	728	136	...
1956	A	1,755	610	—	89	482	...	384	190	...
1957	DE	2,250	640	—	129	661	...	485	335	...
1958	DE	2,650	657	—	151	809	...	619	414	...
1959	DE	3,140	827	—	179	956	...	642	536	...
CEYLON (rupees)										
1953/54	A	941	31	12	113	239	23	246	219	50
1954/55	A	984	26	—	142	249	23	195	352	...
1955/56	A	1,232	30	80	133	282	24	260	344	79
1956/57	A	1,405	34	105	138	321	26	393	224	164
1957/58	A	1,444	64	112	149	360	32	249	465	13
1958/59	E	1,742	83	108	187	387	35	325	604	13
1959/60	E	1,682	79	108	189	428	36	328	514	—
FED. OF MALAYA (Malayan dollars)										
1954	A	868	184	—	62	137	—	317	168	—
1955	A	897	160	—	61	158	—	325	193	—
1956	A	1,014	148	—	77	166	—	331	292	—
1957	A	989	161	—	90	172	—	347	219	—
1958	RE	1,098	177	—	91	230	—	373	227	—
1959	DE	1,112	155	—	98	250	—	370	239	—
HONG KONG (Hong Kong dollar)										
1954/55	A	358	30	—	35	83	—	138	72	—
1955/56	A	400	24	—	40	91	—	123	108	14
1956/57	A	477	25	—	43	106	—	129	145	25
1957/58	A	531	28	—	48	120	—	151	162	23
1958/59	RE	633	27	—	50	148	—	168	186	54
1959/60	DE	752	34	—	60	172	—	164	264	50
INDIA (rupees)										
Central Government										
1955/56	A	10,061	1,916	—	...	...	875	2,267	2,023	2,980
1956/57	A	11,678	2,174	13	...	...	657	2,872	3,162	2,800
1957/58	A	16,032	2,828	258	...	...	1,009	3,047	5,219	3,671
1958/59	RE	18,121	2,960	244	...	...	1,329	3,533	5,670	4,365
1959/60	DE	19,162	2,796	121	...	...	1,565	4,082	5,460	5,130
States										
1953/54	A	6,144	—	...	816	1,084	—	2,271	1,702	271
1954/55	A	6,932	—	...	915	1,240	—	2,430	2,057	280
1955/56	RE	9,476	—	...	1,319	1,539	—	2,700	3,134	794
1956/57	DE	10,344	—	...	1,530	1,742	—	2,673	3,758	641
1957/58	A	9,634	—	...	1,522	1,802	—	2,956	2,933	431
1958/59	RE	11,190	—	...	1,788	2,055	—	3,344	3,185	800
1959/60	DE	11,916	—	...	1,931	2,293	—	3,490	3,383	919
INDONESIA (rupiah)										
1954	A	15,391	3,627	...	1,844	1,436	...	7,469	1,015	...
1955	A	16,316	3,937	...	1,476	1,564	...	8,424	915	...
1956	A	20,015	4,379	...	869	1,939	...	11,910	918	...
1957	A	25,610	6,051	...	1,082	2,334	...	15,078	1,065	...
1958	A	35,313	11,085	...	1,404	2,884	...	18,646	1,294	...
IRAN (rials)										
1954/55	PR	22,154	3,725	460	...	...	—	7,382	10,188	880
1955/56	PR	23,445	5,298	510	...	...	—	8,797	8,185	855
1956/57	PR	30,829	6,457	330	...	...	—	9,516	10,538	3,880
1957/58	E	40,112	8,440	50	...	...	—	11,691	13,056	6,875

32. MAJOR COMPONENTS OF GOVERNMENT EXPENDITURE (Cont'd)

Millions

	Types of account	Total expenditure	Defence	Subsidies	Economic services	Social services	Contributions to provincial and local gov'ts	Other current expenditure	Investment	Loans and advances (net)
JAPAN (thousand million yen)										
1954/55	A	1,052	161	7	...	371	149	201	—	163
1955/56	A	1,044	148	7	...	359	182	185	—	163
1956/57	A	1,099	150	3	...	376	191	191	—	188
1957/58	A	1,221	176	32	...	408	233	198	—	174
1958/59	RE	1,353	176	1	...	429	257	256	—	234
1959/60	DE	1,499	189	1	...	487	283	251	—	288
KOREA, Republic of (hwan)										
Apr 1954/Jun 1955	A	138,800	59,918	691	25,468	11,876	15,049	4,221	9,043	12,534
Jul 1955/Dec 1956	A	262,299	106,379	...	...	36,410	...	...	...	17,651
1957	A	327,009	112,417	...	...	42,039	...	...	...	23,216
1958	RE	365,146	127,620	...	...	59,657	...	...	...	...
1959	E	374,737	140,588	...	...	75,319	...	...	...	...
LAOS (kips)										
1954	E	632	31	—	60	111	1	201	160	68
1955	E	1,155	36	—	76	168	1	266	587	21
1956	E	1,169	49	—	108	265	1	344	344	58
1957/58	RE	1,374	4	...	...	...	...	592	778	...
1958/59	RE	1,824	5	...	...	...	...	978	841	...
1959/60	E	2,068	8	...	...	...	...	897	1,163	...
NEPAL (rupees)										
1954/55	E	59.2	15.9	...	...	...	...	23.3	20.0	...
1955/56	A	45.2	14.0	...	...	...	...	18.6	12.6	...
1956/57	RE	48.1	15.3	...	...	...	...	19.3	13.5	...
1957/58	E	65.7	15.9	...	...	...	...	31.1	18.7	...
1958/59	RE	79.8	14.3	...	...	...	...	34.0	31.5	...
1959/60	DE	100.8	15.8	...	...	...	...	34.2	50.9	...
NORTH BORNEO (Malayan dollars)										
1954	A	36.2	—	—	2.8	3.2	—	8.3	21.9	—
1955	A	40.4	—	—	2.9	3.5	—	10.0	24.0	—
1956	A	42.5	—	—	4.2	4.3	—	19.4	14.6	—
1957	A	46.9	—	—	5.3	5.2	—	19.9	16.5	—
1958	A	56.5	—	—	6.0	5.5	—	20.7	24.3	—
1959	RE	50.4	—	—	5.9	6.3	—	24.1	14.1	—
1960	DE	61.3	—	—	6.8	7.7	—	23.2	23.6	—
PAKISTAN (rupees)										
1954/55	A	1,662	683	...	...	28	57	478	253	163
1955/56	A	1,972	821	...	...	30	32	471	297	321
1956/57	A	1,998	784	...	...	29	42	515	354	274
1957/58	A	2,730	696	...	...	37	41	638	711	607
Apr 1958/Jun 1959	RE	3,423	1,167	...	...	51	50	670	737	748
1959/60	DE	2,928	966	...	...	55	34	500	714	659
PHILIPPINES (pesos)										
1954/55	A	854	148	...	103	264	56	111	172	...
1955/56	A	980	166	...	122	268	56	85	283	...
1956/57	A	1,057	157	...	158	282	61	110	289	...
1957/58	A	1,086	181	...	147	315	74	134	235	...
1958/59	RE	1,063	180	...	163	334	61	127	198	...
1959/60	DE	1,215	185	...	191	363	70	151	255	...
SARAWAK (Malayan dollars)										
1954	A	48.6	—	—	5.1	4.5	—	13.8	24.8	0.4
1955	A	44.4	0.1	—	5.4	5.2	—	15.5	17.7	0.5
1956	A	60.4	—	—	7.1	10.6	—	17.7	23.3	1.7
1957	A	77.5	—	—	8.2	12.6	—	29.8	23.8	3.1
1958	A	73.4	—	—	8.2	14.2	—	21.5	28.7	0.8
1959	RE	85.7	—	—	9.4	15.8	—	21.9	37.3	1.3
1960	DE	93.8	—	—	10.2	16.4	—	23.9	42.3	1.0
SINGAPORE (Malayan dollars)										
1954	A	246	9	—	19	53	—	137	28	...
1955	A	221	10	—	12	63	—	80	56	...
1956	A	252	10	—	19	78	—	85	60	...
1957	A	277	9	—	17	89	—	113	49	...
1958	A	337	11	—	18	100	—	127	81	...
1959	RE	280	9	—	17	116	—	109	29	...
1960	DE	359	9	—	17	121	—	119	93	...
THAILAND (baht)										
1954	A	5,494	1,022	—	150	450	98	2,434	—	1,340
1955	A	5,025	829	—	100	355	79	2,583	—	1,079
1956	A	5,667	817	—	109	436	84	3,340	—	881
1957	A	5,951	1,567	—	240	1,107	65	2,086	—	886
1958	A	6,340	1,390	—	304	1,497	47	2,140	—	962
1959	DE	7,359	1,452	—	371	1,450	108	2,276	—	1,702
1960	DE	7,700	1,402	—	693	1,803	101	2,553	—	1,148
VIETNAM, Republic of (piastres)										
1957	DE	14,160	6,362	—	684	1,057	1,355	4,335	367	—
1958	DE	7,934	...	—	986	1,152	1,535	2,943	551	—
1959	DE	9,176	...	—	1,005	1,383	1,726	3,543	752	—

For explanatory notes see page 154.

PUBLIC FINANCE

GENERAL NOTES:

(for tables 30, 31 and 32)

A = Accounts, E = Estimates, DE = Draft estimates, RE = Revised estimates, PR = Provisional results.

Figures generally relate to central government transactions only unless otherwise stated.

In general, only the net results of public enterprises and fiscal monopolies are included; positive balances are shown under revenue and negative balances under expenditure. Currency and mint transaction are excluded. Interest charges to public enterprises and entities are included in revenue and not deducted from interest payments on the expenditure side.

REVENUE

Total revenue: excluding proceeds from loans, other forms of borrowing, grants and aid, transfers from reserve funds, and counterpart funds.

Transaction and consumption taxes: excise duties, turnover taxes, sales taxes and entertainment duties.

EXPENDITURE

Total expenditure: including current expenditure, capital outlays, and loans and advances (net) granted by the government but excludes debt redemption, contributions to sinking funds and transfers to reserve funds.

Defence: including defence capital outlay. Expenditure on military pensions is included in "other current expenditure."

Economic services: including current expenditure on agriculture, industrial development, scientific and technical research, irrigation, public works, forests, ports, light houses, commerce, planning, etc.

Social services: including current expenditure on education, health, social welfare, relief, etc.

Contributions to provincial and local governments: including contributions towards meeting current expenditures.

Investment: covers capital outlays of public works department, including maintenance, and of government enterprises and other departments and grants to provinces and local authorities for the same purposes.

Loans and advances (net): mainly granted to provinces, local authorities, public and private undertakings for capital outlay.

COUNTRY NOTES:

(for tables 30, 31 and 32)

AFGHANISTAN

Revenue: Tax on income and wealth: including personal and corporate income taxes only. Other tax revenue: livestock tax only.

Expenditure: Social services: expenditure on education only. Other current expenditure: covers food storage and public health, etc.

BURMA

Revenue: including contributions from the State Marketing Boards. Japanese reparation receipts are excluded.

CAMBODIA

Revenue: 1954 and 1955, a number of transaction and consumption taxes included under customs duties.

Expenditure: 1956-1958, expenditures financed by external aid are excluded.

CEYLON

Revenue: Tax on income and wealth: including pension contribution from government employees.

Expenditure: Subsidies: food subsidies only.

CHINA (MAINLAND)

Sources: *Tung Chi Kung Tso* (Statistical Bulletin), issue No.12, 29 June 1957; *Tsai Cheng* (Finance), issue No.8, 5 August 1957; Finance Minister's accounts, *People's Daily*, Peking, 16 June 1956; *Takung Pao*, Peking, 12 February 1958.

Figures relate to the combined receipts and expenditure of the central and local governments.

CHINA (TAIWAN)

Revenue: includes proceeds from domestic loans, other forms of borrowing, grants and aid; and counterpart funds.

Expenditure: including some repayment of debt.

FEDERATION OF MALAYA

Figures relate to the combined receipts and expenditure of the governments of the Federation and the States and Settlements. Transactions of postal and telecommunications are included on a gross basis.

Expenditure: including advances and payments to the War Damage Fund. Defence: including the emergency expenditure of the Police Department.

INDIA

Revenue: including provision for depreciation, etc. of public enterprises.

Central government: excluding taxes transferred to the states.

States: Total revenue: excluding loans and grants received from the central government; including taxes transferred from the central government.

EXPENDITURE:

Central government: excluding transactions of state trading schemes. Subsidies: loss on imported steel. Investment: including capital transferred to displaced persons and minor amounts to private enterprises. Loans and advances (net): mostly to state governments, local governments, and government enterprises.

States: Social services: expenditure on education and health only. Loans and advances (net): loans to municipalities, local bodies, etc.

INDONESIA

All accounts are shown "gross" i.e. certain incomes directly related to the various expenditure items have not been deducted from expenditures.

Revenue: Transactions and consumption taxes: including foreign exchange levies.

Expenditure: Economic services: including certain capital expenditures of Ministry of Economic Affairs and Ministry of Agriculture. Investment: covers total expenditure of Ministry of Communications and Public Works and Energy. Other expenditure: including financing services, and a substantial amount of expenditure on security measures.

IRAN

Land tax: included under Tax on income and wealth. Other tax revenue: includes oil revenue, monopoly profits, etc.

Expenditure: Investment: includes capital outlay of Plan Organization, other direct capital outlay and grants for capital purposes.

JAPAN

Figures represent transactions of general account, special account for debt management and special account for local grants and shared taxes as well as of three other special accounts (seven for 1958 and 1959) of administrative nature. Thirty-two special accounts for trading, manufacturing, banking, insurance and other public undertakings are excluded. Capital transfers are wholly included.

Expenditure: Social services: including social security, civil pensions, etc. Other current expenditure: including some capital expenditure.

KOREA, REPUBLIC OF

Figures represent transactions of general government, excluding government enterprises.

Expenditure: Social services: including some capital outlay. Loans and advances (net): mainly loans to private sector.

LAOS

Expenditure: Investment: the figure for 1955 includes an amount of 553.3 million kips financed directly by foreign aid. Defence: excluding considerable amounts of defence expenditures financed by foreign aid. Other current expenditure: includes a substantial amount of unforeseen expenditures, transportation expenses, etc. which could not be distributed.

NEPAL

Revenue: Transaction and consumption taxes: excise duties only.

Expenditure: Investment: developmental expenditure.

PAKISTAN

Revenue: including provision for depreciation, etc. of public enterprises but excluding receipts from sales of foreign aid fund supplies. Total tax revenue: excluding taxes transferred to state governments.

Expenditure: including expenditures met from railway, postal development and other funds, excluding currency capital outlays and state trading schemes. Defence: 1956/57: excluding current expenditure met from foreign aid estimated as 63 million. Social services: expenditure on education and health only. Contributions to provincial and local governments: grants to states other than those met from funds, mainly for development but also general grants for meeting current expenditure.

PHILIPPINES

Revenue: Import duties: include excise duties on imports; also include foreign exchange tax from 1954-1956 inclusive. Transaction and consumption taxes: consist of excise taxes on domestic products and forest products. Licences, stamp duties, registration fees, etc. consist of licences and business taxes, and documentary stamps.

THAILAND

Revenue: Tax on income and wealth; income tax and automobile taxes only. Other tax revenue: including profits from rice export monopoly, aliens and gambling fees.

Expenditure: Contributions to provincial and local governments: including purchase of cars and boats for fire control, repair and maintenance of roads, bridges, etc. Other current expenditure: including cost of living allowance to all government employees, local civil and military up to 1956, and amounting to 2,274 million baht in that year. Beginning 1957 cost of living allowance to government employees is distributed to the appropriate heads.

VIET-NAM, REPUBLIC OF

1958 and 1959, expenditure excludes U.S. aid.

TRADE AGREEMENTS CONCLUDED DURING 1959¹

The agreements concluded by countries of the ECAFE region for expanding trade on a bilateral, and occasionally on a tripartite, basis are broadly of four types, namely, treaties of commerce, trade agreements, commodity arrangements, and credit arrangements. Treaties of commerce lay down the general principles governing the trade relations between two countries that constitute the contracting parties. Trade agreements usually take a more concrete form, providing for the exchange of a number of commodities over a period of time, mostly from one to five years; they are also more flexible in implementation, as the volume of trade, whether specified or not, may fall short, and the proportions between different commodities listed can be varied by subsequent consultation. Commodity arrangements cover one or several commodities for which prices, quantities and dates of delivery are often specified. Credit arrangements are designed to promote trade exchanges in which one party undertakes to supply the other with specified commodities, mostly capital goods, on credit, usually for a long term, with repayment either in goods or in the currency of the borrowing country or in other currencies.

In 1959, as shown by available data, the countries of the region concluded 42 agreements (of all the four types) among themselves and 99 with countries outside the region. Of the 99 extraregional agreements, 33 were concluded with the centrally planned economies (mainland China 17, northern Korea 6, and northern Viet-Nam 10) and 66 with the private enterprise and mixed economies (Afghanistan, Burma, Cambodia, Ceylon, China: Taiwan, India, Indonesia, Iran, Japan, southern Korea, Pakistan, Thailand, and southern Viet-Nam).

Five treaties of commerce were concluded in 1959 by the following countries: Iran with Pakistan and the United Kingdom, Japan with Czechoslovakia and Yugoslavia, and Pakistan with the United States.

Long-term trade agreements, generally for a period of two to five years, usually serve as a basis for short-term ones, which are ordinarily for one year, although short-term agreements are often concluded without a prior long-term agreement. In 1959, the governments of the region concluded 15 long-term and 65 short-term agreements.

Commodity arrangements may be classified into two groups, namely, (1) ordinary arrangements between governments involving purchase and sale of one or several commodities on a barter or cash payment basis, (2) surplus agricultural commodity disposal agreements for the sale of United States surplus farm products under United States Public Law 480, with payment in national currency of the purchasing country. In 1959, 44 commodity arrangements, including 11 surplus agricultural commodity disposal agreements, were concluded. Of the 11 surplus agricultural commodity disposal agreements, nine were made under Title I of the law, involving a total sale by the United States Government of goods worth \$378.6 million, including ocean transportation costs, to India (\$257.3 million), Indonesia (\$51.6 million), southern Korea (\$33 million), Ceylon, China: Taiwan, southern Viet-Nam and Pakistan (\$36.7 million for the four countries); the other two were made under Title III of the law for exchange with Indian and Thai goods.

In 1959, four intraregional and eight extraregional credit arrangements were made, involving a total sum equivalent to about \$790 million (at official rates of conversion for other currencies). The former provide for credit from mainland China to Indonesia (£10 million) and northern Viet-Nam (300 million yuan), and from Japan to Indonesia (\$28 million) and southern Viet-Nam (\$16.6 million), while the latter provide for credit from mainland China to Albania (55 million roubles), from Czechoslovakia to India (Rs 231 million) and Indonesia (£5 million), from Japan to Yugoslavia (\$10 million), from the Soviet Union to India (1,500 million roubles) and Indonesia (\$100 million), and from Yugoslavia to Ceylon (£5.5 million) and Indonesia (\$10 million).

¹ This summary contains 152 agreements in all, including 11 concluded in the latter months of 1958.

CLASSIFICATION OF TRADE AGREEMENTS CONCLUDED BY COUNTRIES
OF THE ECAFE REGION IN 1959

	Total	Treaties of commerce	Trade agreements		Commodity arrangements	US PL480	Credit arrangements
			Long- term ^a	Short- term ^b	Ordin- ary		
Intraregional							
1. Between mainland China, northern Korea and northern Viet-Nam . . .	3	—	1	1	—	—	1
2. Between other ECAFE countries . .	31	1	1	11	16	—	2
3. Between (1) and (2)	8	—	—	2	5	—	1
Total	42	1	2	14	21	—	4
Extraregional							
1. Soviet Union and eastern European countries							
a. With mainland China, northern Korea and northern Viet-Nam . .	22	—	7	14	—	—	1
b. With other ECAFE countries . .	25	2	4	8	4	—	7
2. Western European countries							
a. With mainland China, northern Korea, and northern Viet-Nam . .	2	—	—	2	—	—	—
b. With other ECAFE countries . .	15	1	1	10	3	—	—
3. United States with ECAFE countries other than mainland China, northern Korea and northern Viet-Nam . .	13	1	—	—	1	11	—
4. Rest of the world							
a. With mainland China, northern Korea and northern Viet-Nam . .	9	—	1	8	—	—	—
b. With other ECAFE countries . .	13	—	—	9	4	—	—
Total	99	4	13	51	12	11	8
Grand total	141	5	15	65	33	11	12

^a Two years or longer.

^b Shorter than two years.

1. ECAFE INTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Afghanistan—India	21 July 1959—20 July 1960	Afghanistan: dried and fresh fruits, asafoetida, cumin seeds, inedible animal and vegetable crude materials (including hides and skins), and medicinal herbs. India: cotton and woollen textiles, tea, coffee, dried fish, vegetable products, agricultural products, chemical products, soap, engineering goods, electrical goods, household and building requirements, hardware, rubber and leather manufactures, and products of handicrafts and cottage industries.	Payment in Indian rupees. Meantime, for the import of Afghanistan's hides and skins, which is to be licensed freely, the sale proceeds will be credited to a special self-balancing rupee account, to be opened by the Da Afghanistan Bank with the State Bank of India, which will be used for financing Afghanistan's expenditure in India, including Afghanistan's purchases from Indian sources.	Trade arrangement, formalized by exchange of letters in New Delhi on 11 August 1959, with a view to achieving a trade balance. India will afford transit facilities for Afghanistan's exports to other countries. The arrangement will be automatically extended for another year unless terminated on two months' notice before expiry.
Burma—Ceylon	Four years	Burma: rice (300,000 tons annually) etc. Ceylon: coconut oil (8,000 tons annually), tea (500,000 pounds annually) etc.		Four-year trade agreement, signed in Colombo on 25 September 1959.
Burma—Ceylon	1960	300,000 tons of Burma's rice.		Rice agreement, signed in Rangoon on 10 November 1959.
Burma—Hong Kong	1959	Hong Kong to supply Burma with cotton textiles and yarn to the amount of US\$12.8 million in terms of value of the raw cotton content involved.	Payment partially in pounds sterling and partially in US cotton which was made available to Burma under the US Public Law 480 by the 27 May 1958 agreement between US and Burma.	Cotton goods agreement, signed in February 1959.
Burma—India	25 Sep. 1958—5 Sep. 1961	Total value: not over Rs. 39.5 million each way yearly. Burma: potatoes, teak squares and scantlings, hardwood sleepers etc. India: electrical goods, sewing machines, bicycles, hardware, building materials, cotton yarn and rayon piece-goods etc.	Clearing accounts in Indian rupees.	Protocol to the 5 September 1956 agreement of trade and commerce, signed in Rangoon on 25 September 1958 for achieving trade balance.
Burma—India	1959	150,000 tons of Burma's rice (in addition to 350,000 tons previously agreed to).	Payment in non-convertible Indian rupees, to be utilized for purchase of additional goods from India prior to the end of 1960.	Rice agreement, reached in New Delhi on 30 September 1959.
Burma—Indonesia	1959	250,000 tons of Burma's rice.		Signed in November or December 1958.
Burma—Indonesia	1960	500,000 tons of Burma's rice.		Agreement signed in Rangoon on 3 December 1959.
Burma—Japan	Through 1959	Burma: rice, beans, cotton, teak, rubber etc. Japan: textiles, iron and steel, electrical equipment, industrial equipment, machinery and plants, cement, foodstuffs etc.	Payment in pounds sterling.	Letters exchanged in Rangoon on 25 February 1959, extending the 8 December 1953 trade arrangement for another year up to 31 December 1959.
Burma—Japan	1959	25,000 tons of Burma's rice.	Payment in pounds sterling.	Agreement reached in Rangoon on 25 February 1959.
Cambodia—Laos	1959—		Payment in dollars or other convertible currency.	Agreements on payments, trade, transit of goods, and cultural and scientific co-operation, initialled on 22 August 1959, providing, <i>inter alia</i> , for mutual favourable treatments and minimum tariffs in trade, and transit facilities to Laos for goods transported through Cambodia's territory and Kompong Som port.
Cambodia—Viet-Nam (northern)	25 Apr. 1959—24 Apr. 1960	Total value: £1.5 million each way. Cambodia: rice, maize, kapok, beans, fish, hogs, rubber etc. Viet-Nam: cement, coal, phosphate, cotton and silk fabrics, machine tools, tea etc.		First trade and payments agreements, signed in Phnom-Penh on 19 November 1958 and ratified on 11 April 1959.
Ceylon—China (mainland)	Through 1959	Total value: 124.6 million Ceylon rupees each way. Ceylon: rubber etc. China: rice etc.	Payment in Ceylon rupees.	Goods exchange protocol, signed in Colombo on 13 June 1959 under the 19 September 1957 trade and payments agreement.
Ceylon—China (mainland)	Through 1959	Ceylon: 30,000 tons of rubber. China: 230,000 tons of rice.		Rubber and rice contracts, signed in Colombo on 13 June 1959 in accordance with the protocol of the same date. Rubber price to be based on the weekly average Singapore f.o.b. market rate in the week of purchase plus handling charge, while rice price fixed at £30 17s. 6d. per ton for 150,000 tons, leaving that for the remaining 80,000 tons to later negotiation.

1. ECAFE INTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
China (mainland)— India	Through 1959	China: metals, ores, newsprint, chemicals and chemical preparations, silk, cassia etc. India: tobacco, cotton, shellac, jute manufactures, spices, mica, medicines and medicinal herbs etc.	Payment in Indian rupees. Balance convertible into pounds sterling.	Letters exchanged in New Delhi on 25 May 1959, extending the 11 October 1954 trade agreement as modified in 1957, up to the end of 1959.
China (mainland)— Indonesia	Jan.—July 1959	100,000 tons of China's rice, valued at £3.9 million.		Rice contract, announced on 1 January 1959.
China (mainland)— Indonesia		China to supply Indonesia with machinery, rice, textiles and yarn to the value of £10 million in total.	On loan basis.	Agreement reached in 1959.
China (mainland)— Viet-Nam (northern)	Through 1959	China: rolled steel, fire-resistant materials, locomotives, machinery equipment, chemical materials, pharmaceuticals, cotton, and general consumer goods. Viet-Nam: coal, phosphorite rock, cement, chromite, white cotton cloth, timber, tea, coffee, and cardamoms.		Aid protocol and goods exchange and payments agreement, signed in Peking on 18 February 1959. Trade volume to be bigger than 1958.
China (mainland)— Viet-Nam (northern)	1960—1962	China: cotton, rolled steel, iron pyrites, paper for cement bags, bituminous coal etc. Viet-Nam: anthracite, cement, phosphorite rock, chromite, timber, jute, cardamoms etc.		Three-year trade agreement, signed in Peking on 18 February 1959.
China (mainland)— Viet-Nam (northern)		China to grant a long-term loan of 300 million yuan (and 100 million yuan as aid without compensation) to Viet-Nam to help build and expand 49 industrial and communications enterprises (including an iron and steel plant, a coal mine, a shipyard, nitrogenous fertilizer plants, a power station, special-purpose railways, and textile and paper mills), for which China will supply complete sets of equipment and technical assistance. The loan, bearing an interest of 1 per cent, is to be repaid in goods over a period of ten years beginning 1967.		Economic and technical aid agreement, signed in Peking on 18 February 1959.
China (Taiwan)— Japan	1 Apr. 1959— 31 Mar. 1960	Total value: \$85.5 million each way. China: sugar, rice, banana, salt, cedarwood, canned pineapple, coal, dried bamboo shoots, natural essence, molasses, bagasse pulp, tea, honey etc. Japan: fertilizers, ferrous and non-ferrous metal products, machinery, ships, chemical products, medicines and medical equipment, electric supplies, locomotives and rolling stock, communications equipment, vehicles, paper and products, textiles, rubber products, agricultural and marine products etc.	Open account in dollars, with a swing credit of \$10 million.	Trade plan, signed in Tokyo on 12 July 1959 in accordance with the 13 June 1953 trade arrangements.
China (Taiwan)— Japan	Oct.—Dec. 1959	50,000 tons of Taiwan rice, valued at \$7.3 million.		Rice contract, signed in Taipei on 17 October 1959. The rice was part of the 150,000 tons Japan promised to purchase under the July 1959 trade plan.
China (Taiwan)— Thailand	Feb.—Apr. 1959	3,000 tons of Thailand's glutinous rice.		Agreement reached in Bangkok in February 1959.
China (Taiwan)— Thailand	Dec. 1959— Feb. 1960	3,000 tons of Thailand's glutinous rice, valued at 8.1 million baht.		Agreement reached in Bangkok in December 1959.
Federation of Malaya— Thailand	1959	20,000 tons of Thailand's rice.		Rice contract, signed in Bangkok on 26 August 1959.
India— Indonesia	Through 1959	India: cotton textiles and yarn, jute goods, tobacco, linseed oil, hardware, chemicals and pharmaceuticals, tea chests, shellac, sports goods, rubber tyres and tubes, porcelain ware, paper and boards, machinery including agricultural implements, diesel engines, sugar-cane crushers, electrical equipment, sewing machines etc. Indonesia: copra, coconut oil, palm kernels and oil, essential oils, spices and betelnuts, timber, tin, rubber, hides and skins, canes and rattans, gums and resins, tanning materials, sisal fibre, tobacco wrappers etc.	Payment in Indian rupees or pounds sterling.	The 30 January 1953 trade agreement was last extended to end 1958. Letters were exchanged in December 1958 and July 1959 further extending its validity to 30 June and 31 December 1959 respectively.

1. ECAFE INTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
India—Pakistan	Dec. 1959—Dec. 1960	Total value: Rs. 20 million each way. India: bidi leaves, cement, fresh fruits, limestone, hardware, pharmaceuticals and drugs etc. Pakistan: cotton, fresh fruits, chrome ore, newsprint and paper, eggs and poultry etc.	Payment in non-convertible Indian rupees.	Limited payments agreement, signed in Karachi on 3 December 1959, providing for exchange of certain commodities on a self-balancing basis in addition to the normal trade under the existing trade agreement between the two countries.
India—Viet-Nam (northern)	1959	1.5 million Indian gunny bags.		Signed in New Delhi on 10 April 1959.
India—Viet-Nam (northern)	1959	1.5 million Indian gunny bags, valued at Rs. 1.8 million.		Signed in New Delhi on 17 October 1959.
Indonesia—Japan (—United Arab Republic)		Total value: £1.3 million each way. Indonesia's tea for Egypt; Egypt's cotton for Japan; Japan's textiles (for half the value) and other essential goods for Indonesia.		Tripartite barter arrangement, announced in November 1958.
Indonesia—Japan		Japan to supply Indonesia with hotel construction materials (\$23 million), equipment for a shipyard (\$3.9 million), and ships (\$1.1 million).	On loan basis. Irredeemable for two years, then repayable in five yearly instalments at an interest of 5.75 per cent per annum. If Indonesia fails to repay the loan, it will be deducted from the reparations.	Loan agreement, signed in Tokyo on 16 October 1959. A memorandum was signed at the same time, providing for supply to Indonesia of \$17 million worth of shipyard equipment and vessels as reparations.
Indonesia—Japan		Japan to supply Indonesia with cotton yarn and textiles to the amount of \$10.5 million in terms of the raw cotton content involved.	Payment partially in pounds sterling and partially in US cotton which was made available to Indonesia under the US Public Law 480 by the 29 May 1959 agreement between US and Indonesia.	Cotton goods agreement, signed in Djakarta on 29 December 1959.
Indonesia—Pakistan	1 Jan. 1959—30 June 1960	Indonesia: essential oils, sugar, copra, timber, tin, rubber, spices etc. Pakistan: cotton, sports goods, jute bags, hessian cloth, cottage industry products, dates etc.	Payment in transferable pounds sterling.	The 7 February 1953 trade agreement, last extended to end-1958, was further extended up to 30 June 1959 and 30 June 1960 in January and July 1959 respectively.
Indonesia—Pakistan (—Czechoslovakia)	1959	Total value: 2.5 million Pakistan rupees each way. Pakistan's cotton yarn (2,850 bales) and jute bags (930 bales) for Indonesia; Indonesia's rubber and/or other goods for Czechoslovakia; Czechoslovakia's machinery and equipment for Pakistan.		Tripartite barter arrangement, announced in May 1959.
Indonesia—Singapore	Jan.—June 1960	Singapore to supply Indonesia with 3.42 million Malayan dollars' worth of cotton yarn.	65 per cent to be paid in raw cotton and the balance in cash.	Cotton goods agreement, announced in November 1959.
Indonesia—Thailand	Nov. 1959—early 1960	100,000 of Thailand's rice, valued at £3.2 million.	Payment in pounds sterling.	Two agreements, each for 50,000 tons, signed in Bangkok on 27 and 30 October 1959 respectively.
Indonesia—Thailand	1959—1961	Indonesia to purchase from Thailand 100,000-150,000 tons of rice yearly, including purchase made in 1959.		Three-year rice agreement, signed in Djakarta in November 1959.
Indonesia—Viet-Nam (northern)	1960	Indonesia to purchase 20,000 tons of rice from northern Viet-Nam.		Rice agreement, signed in Djakarta on 9 December 1959.
Indonesia—Viet-Nam (southern)	Jan.—Mar. 1960	Indonesia to purchase 50,000 tons of southern Viet-Nam's rice, valued at £1.6 million.		Rice agreement, signed in Saigon on 23 October 1959.
Iran—Pakistan	1959—			Treaty of Commerce, Domicile and Transit Trade, signed in Teheran on 17 November 1959, providing, <i>inter alia</i> , for reciprocal most-favoured-nation treatment in trade matters and facilitation of transit trade.

1. ECAFE INTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Japan— Pakistan	1 Sep. 1959 —31 Aug. 1960	Japan: textiles (cotton, rayon and other) including yarn, iron and steel and other metals, capital goods and machinery, chemicals and dyes etc. Pakistan: cotton, jute, hides and skins, chrome ore, salt etc.		Trade arrangement, signed in Karachi on 23 September 1959, subject to periodical review and necessary adjustments.
Japan— Thailand	Mar.—June 1959	80,000 tons of Thailand's rice.		Agreement signed in Bangkok on 4 March 1959.
Japan— Viet-Nam (southern)	For the loan, 3 years starting from, while for the credit, 10 years be- ginning five years after, the date the repa- rations agree- ment takes effect.	Japan to extend southern Viet-Nam (1) a loan of \$7.5 million for the supply of materials required during the initial period of the construction of the Da Nhim Valley Power Station stipulated in the reparations agreement, and (2) a long-term credit of \$9.1 million to help build a fertilizer plant.		Economic co-operation agreement, signed in Saigon on 13 May 1959 simultaneously with a reparations agreement.
Korea (northern) —Viet-Nam (northern)	1959—1960	Korea: fertilizers, copper wire, eastern medicines etc. Viet-Nam: apatite, chromium, tin, jute etc.		Goods exchange and payments agreement, signed in Hanoi on 1 December 1958.
Korea (southern) —Viet-Nam (southern)	1 Jan. 1959—			Agreement, signed in Saigon on 10 December 1958, providing for preferential tariff treatment to each other's goods.
Laos— Thailand	22 July 1959 —21 July 1960	Laos: elephants, animal products, forest products, gypsum, sulphur etc. Thailand: salt, aerated water, tobacco, household furniture, movie films, fish sauce, liquor and beer, glassware etc.	Payment to be in conformity with the foreign exchange regulations in each country.	Trade agreement, signed in Bangkok on 22 July 1959. Non-discriminatory treatment mutually accorded. The agreement will be automatically renewed for periods of one year unless terminated on three months' notice. At the same time was signed a transit agreement providing exemption from customs duties on transit goods.
Laos— Viet-Nam (southern)	11 June 1959 —10 June 1960	Total value: \$1 million each way. Laos: live animals, animal products, sticklac, gums and resins, timber, tobacco, dyeing and tanning materials, cinnamon bark etc. Viet-Nam: marine products, coconut oil, coir manufactures, tapioca, vegetables, soy sauce, tea, fire-bricks, chalk, pharmaceuticals, pottery, footwear etc.	Payment in dollars or other freely convertible currency.	Trade and payments agreement, signed in Vientiane on 11 June 1959. Minimum import tariffs mutually granted. The agreements will be automatically renewed for periods of one year in the absence of notice indicating otherwise. At the same time was signed a transit agreement providing exemption from customs duties on transit goods.
Thailand— Viet-Nam (southern)	15 Aug. 1959—			Tariff agreement, formalized by exchange of letters in Saigon on 1 August 1959. Thailand to accord most-favoured-nation treatment to imports from Viet-Nam in exchange for Viet-Nam's minimum tariff treatment. The agreement may be terminated on ninety days' notice.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Afghanistan—France	1959—	Afghanistan: wool, skins, dried fruits, and cotton. France: manufactured articles and industrial equipment.		Economic and technical co-operation agreement, signed in Kabul on 6 January 1959. A French commercial attache is to be stationed in Kabul.
Afghanistan—Poland	Through 1959	Total value: £700,000. Afghanistan: cotton, wool, oil-seeds, hides, sheep casings, and almonds. Poland: textile machinery, metal lathes, generator units, communications and mining equipment, agricultural implements, various workshop and craft tools, chemicals, textiles, rubber articles, glass, and porcelain.		Trade protocol, signed in Kabul on 21 October 1958 under the three-year trade and payments agreement concluded in August 1956.
Afghanistan—USSR	Through 1959	Afghanistan: wool, hides, cotton, oil-seeds, and dried fruits. USSR: petroleum products, motor vehicles, industrial equipment, sugar, and cotton fabrics.		Trade protocol, signed in Moscow on 27 April 1959.
Burma—France	1959	France: cotton textiles and yarn.	Payment partially in US cotton which was made available to Burma under the US Public Law 480 by the 27 May 1958 agreement between US and Burma.	Cotton goods agreement, signed on 3 June 1959.
Burma—Germany (western)	10 July 1959— 9 July 1962	Burma: rice and other foodstuffs, rubber, cotton, zinc, lead, timber, tin etc. Germany: machinery and equipment, chemical products, textiles etc.		The 1956 trade agreement was extended in July 1959 for another three years.
Burma—Mauritius	1959—1961	Burma to supply Mauritius with 55,000 tons of rice in 1959, 40,000-60,000 tons in 1960 and 50,000-70,000 tons in 1961.		Three-year rice agreement, signed in May 1959.
Burma—Netherlands	1959	Netherlands to supply Burma with cotton textiles and/or yarn.	Payment partially in US cotton which was made available to Burma under the US Public Law 480 by agreement of 27 May 1958 between US and Burma.	Cotton goods agreement, signed on 5 January 1959.
Burma—Poland		30,000 tons of Burma's rice for Poland's products of equivalent value.		Barter agreement, signed in Rangoon on 11 November 1959.
Burma—United Kingdom	1959	United Kingdom to supply Burma with cotton textiles.	Payment partly in US cotton, which was made available to Burma under the US Public Law 480 by agreement of 27 May 1958 between US and Burma, and partly in pounds sterling.	Cotton goods agreement, signed on 20 January 1959.
Ceylon—Austria	11 Nov. 1958— 10 Nov. 1959	Ceylon: rubber, tea, coconut products, graphite, spices, and hides and skins. Austria: leather and manufactures, paper and manufactures, yarns and threads, piece-goods, clothing, medical and pharmaceutical products, glassware, jewelry, iron and steel products, rolling stock, motor vehicles, machinery, and photographic and optical instruments.		Trade agreement, signed in Colombo on 11 November 1958. Most-favoured-nation treatment mutually accorded. The agreement will be extended for further periods of one year unless terminated on three months' notice before expiry.
Ceylon—Cuba	Aug.—Dec. 1959	Ceylon to buy 20,000 tons of Cuba's sugar and Cuba to buy Ceylon's products for at least 60 per cent of the sale proceeds of the sugar.		Agreement reached in Colombo in August 1959.
Ceylon—Italy	1 June 1959— 31 May 1960	Ceylon: tea, rubber, coconut products, spices, essential oils, graphite, papain etc. Italy: machinery, motor vehicles, precision instruments, stationery, textiles, chemical products, hardware, fruits and vegetables etc.	Payment to be settled in pounds sterling.	Extension of the 23 April 1957 trade agreement for another year. The agreement also provides for reciprocal most-favoured-nation treatment.
Ceylon—Poland	1 Jan. 1960—	Ceylon: tea, rubber, graphite etc. Poland: electrical goods, machinery, tractors etc.	Payment in pounds sterling.	Trade and payments agreements, signed in Colombo on 27 November 1959 for an indefinite period beginning 1 January 1960. Most-favoured-nation treatment mutually accorded. Poland also agreed to recognize Ceylon's policy of Ceylonisation of trade.
Ceylon—United States	1959	Total value: \$8.6 million, including \$1.5 million of ocean transportation costs. United States: 20,000 tons of rice (\$2.9 million) and 50,000 tons of wheat flour (\$4.2 million).	Payment in Ceylon rupees.	Surplus agricultural commodity disposal agreement under US Public Law 480, signed in Colombo on 13 March 1959.
Ceylon—United States	1959	40,000 tons of US rice, valued at \$6.1 million including \$0.7 million of ocean transportation costs.	Payment in Ceylon rupees.	Surplus agricultural commodity disposal agreement under US Public Law 480, signed in Colombo on 28 May 1959.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Ceylon—Yugoslavia	1959—	Yugoslavia to extend Ceylon a credit of £5.5 million for purchase of Yugoslav ships and equipment.	For both regular exchange and credit arrangements, payment in convertible sterling.	Trade and credit protocol, signed in Belgrade on 5 May 1959.
China (main-land)—Albania	Through 1959			Goods exchange and payments protocol, signed in Peking on 10 January 1959.
China (main-land)—Albania	1961—1965	China: vegetable oils, rice, paper, tyres, silk piece-goods, steel material etc. Albania: crude oil, petroleum, copper, chrome ore etc.		Five-year trade agreement, signed in Peking on 16 January 1961.
China (main-land)—Albania	1961—1965	China to supply Albania, during 1961—1965, with equipment for a cotton mill, flax mill and glass works, and other machinery and equipment, tyres, paint, paper etc. to the value of 55 million roubles in total.	On loan basis. Repayment to be made in commodities over a 10-year period beginning 1981.	Loan agreement, signed in Peking on 16 January 1959.
China (main-land)—Czechoslovakia	Through 1959	China: rice, wheat, cotton, fodder, molybdenum ore, mercury, iron and tungsten ores, pig iron, tin, furs, silk, tobacco, oils and fats, soya beans, oil-seeds, tea etc. Czechoslovakia: complete sets of industrial equipment, especially power station equipment, heavy machine tools, metal presses, diesel engines, electric motors, blowers, tractors, instruments, and raw materials for the chemical industry.		Goods exchange and payments agreement, signed in Prague on 9 March 1959. Trade volume to be 12 per cent bigger than in 1958.
China (main-land)—Czechoslovakia	1960—1962	China: minerals, cotton, grain, fodder, edible oils, and other raw materials and foodstuffs. Czechoslovakia: complete sets of equipment for power stations and chemical and metallurgical industries, electric motors and locomotives, and heavy machine tools.		First long-term (three years) trade agreement, signed in Prague on 11 April 1959.
China (main-land)—Finland	1 Nov. 1958—31 Oct. 1959	China: soya beans, rice, oils and fats, oil-seeds, tin, antimony, tea, silk, and light industry products. Finland: paper and pulp, copper, staple fibre, machinery for the paper industry, and other engineering products.		Trade agreement, signed in Helsinki on 15 May 1959.
China (main-land)—Finland	1 Nov. 1959—31 Oct. 1960	Total value: 50 million roubles each way. China: oil-seeds, soya beans, silk goods, tea etc. Finland: machinery, chemical pulp, paper, staple fibre etc.		Trade agreement, signed in Peking on 16 December 1959.
China (main-land)—Germany (eastern)	Through 1959	China: rice, vegetable oils, silk and silk piece-goods, tea, food products, and light industry products. Germany: complete sets of equipment, machine tools, forging equipment, rolling stock, electric equipment, precision optical instruments, and chemicals.		Goods exchange and payments agreement, signed in Peking on 5 February 1959. Trade volume to be bigger than 1958.
China (main-land)—Hungary	Through 1959	China: metals, minerals, oil-seeds, raw materials for the chemical and textile industries, machinery, and consumer goods. Hungary: complete sets of equipment, machinery for thermal power stations, electrical equipment, instruments, rolled steel, and pharmaceuticals.		Goods exchange and payments agreement, signed in Budapest on 17 March 1959 under the long term (1959-1962) agreement concluded in April 1958. Trade volume to increase considerably.
China (main-land)—Iraq	Through 1959	China: rolled steel, aluminium sheets, machinery and parts, complete sets of equipment for light industry plants, telecommunications equipment, materials for electrical installations, chemicals, pharmaceuticals, bicycles, sewing machines, paper, tea, silk and silk piece-goods, woollen and cotton fabrics, and porcelain. Iraq: dates, hides and skins, wool, cotton, casings, oil-seeds, and vegetable oils.	Payment to be effected through accounts in Iraqi dinars. Balance to be settled in goods or in acceptable third country currency.	First trade and payments agreement, signed in Baghdad on 1 January and ratified on 1 February 1959. Most-favoured nation treatment mutually recorded. Trade balance to be achieved.
China (main-land)—Morocco	1 Oct. 1959—30 Sep. 1960	Total value: 5,700 million Moroccan francs each way. China: tea, machinery, cotton and rayon fabrics, chemicals, and silk fabrics and thread. Morocco: phosphates, vehicles, cotton, ores and non-ferrous metals.		Trade agreement, signed in Peking on 30 September 1959.
China (main-land)—Outer Mongolia	Through 1959	China: raw chemicals, building materials, silk and silk fabrics etc. Outer Mongolia: horses, hides, camel hair, antlers, casings etc.		Goods exchange protocol, signed in Ulan Bator on 30 January 1959. Trade volume to be bigger than 1958.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
China (main-land)— Poland	Through 1959	Total value: 385 million zlotys. China: non-ferrous metals, oil-seeds, rice, raw materials for the textile and leather industries, tea, canned fruits, silk piece-goods etc. Poland: complete sets of equipment, machine tools, machinery, locomotives, diesel engines, excavators, rolled steel etc.		Goods exchange and payments agreement, signed in Warsaw on 6 March 1959 under the long-term (1959-1962) agreement concluded in April 1958, envisaging a trade increase of 10 per cent over 1958.
China (main-land)— Romania	Through 1959	China: mineral ores, soya beans, animal products, tea, silk fabrics etc. Romania: drilling equipment, blowers, equipment for power stations and cement plants, tractors, oil-tank lorries, and petroleum products.		Goods exchange and payments protocol, signed in Peking on 22 March 1959 under the long-term (1959-1962) agreement concluded in July 1958. Trade volume to be bigger than 1958.
China (main-land)— USSR	1959—1967	USSR to supply China with needed equipment and technical assistance for the construction of 78 big industrial enterprises (metallurgical, chemical, coal, petroleum, machine building, power generator, manufacturing etc.) and power stations, valued at about 5,000 million roubles in total.	Payment to be made in goods in accordance with the existing trade agreement.	Agreement on enlarged economic co-operation, signed in Moscow on 7 February 1959.
China (main-land)— USSR	Through 1959	Total value: 7,200 million roubles for imports and exports. China: tin, tungsten, molybdenum, mercury, silk, wool, tea, citrus fruit, rice, soya beans, ready-made clothes, knitwear, textiles, cotton etc. USSR: complete sets of industrial equipment, power generating equipment including turbo-generator sets, diesel generators, mobile power stations and small hydro-power stations for rural use, drilling equipment, transportation equipment, axle bearings etc.		Goods exchange protocol, signed in Moscow on 26 February 1959. At the same time agreement was also reached on the completion of reciprocal deliveries of goods for 1958, bringing the value of the 1958 trade between the two countries to 600 million roubles above the amount originally set in the 23 April 1958 protocol.
China (main-land)— Yugoslavia	Through 1959	Total value: £1.25 million each way. China: soya beans, tung oil, minerals, silk, hides etc. Yugoslavia: rolled aluminium products, steel tubes, wood pulp, cables, chemicals etc.		Goods exchange protocol, signed in Peking on 18 March 1959. The set trade amount represents a contraction of over 60 per cent as compared with 1958.
China (Taiwan)— United States	9 June 1959—	Total value: \$13.4 million, including \$1.5 million of ocean transportation costs. United States: wheat (\$7.6 million), soya bean oil and/or cotton-seed oil (\$0.7 million), tobacco (\$2.6 million), dairy products (\$1 million).	Payment in New Taiwan dollars.	Surplus agricultural commodity disposal agreement under US Public Law 480, signed in Taipei on 9 June 1959.
India— Bulgaria	18 May— 31 Dec. 1959	India: tea, coffee, spices, tobacco, hydrogenated vegetable oils (edible), lac including shellac, cotton, wool, drugs and medicines, bicycles and parts, coir yarn and manufactures, sports goods etc. Bulgaria: drugs and medicines including penicillin, chemicals, electrical instruments, machinery equipment, metal-working machines, diesel engines, radio sets, cement, stationery etc.	Payment in non-transferable Indian rupees. Upon expiry of this agreement, balance will be settled in goods during the ensuing six months or in such other way as may be agreed upon.	Protocol, signed in Sofia on 18 May 1959, amending the payment provisions in and forming an integral part of the 18 April 1956 trade and payments agreement for promoting trade exchange.
India— Czechoslovakia	1 July 1959— 31 Dec. 1960	India: iron and manganese ores, oil-seeds, hides and skins, mica, spices, tea, and shellac. Czechoslovakia: welding machines, compressors, building machinery, textile machinery, equipment for grain mills, diesel locomotives and generators, alloy steel, hospital equipment, asbestos cement tubes, and chemicals.	Payment in non-convertible Indian rupees. Upon expiry of this agreement, balance will be settled in goods during the ensuing year, or, after lapse of the period, in pounds sterling.	Protocol, signed in Prague on 30 May 1959, amending the payment provisions in and forming an integral part of the 30 September 1957 trade agreement for promoting trade exchange.
India— Czechoslovakia	Eight years	Czechoslovakia to supply India with machinery and equipment for a foundry forge plant, a heavy machinery building plant, a heavy electrical plant, and for other projects included in the Third Five-Year Plan, amounting to Rs. 231 million in total.	On credit at 2.5 per cent interest per annum. Repayment by delivery of Indian goods such as pig iron, chemical and engineering goods, non-ferrous metals, processed and other ores and semi-finished products. First instalment payable one year after completion of the last delivery against each project.	Economic and credit agreement, signed in New Delhi on 24 November 1958.
India— Germany (western)	1 Jan. 1960— 31 Dec. 1962	India: iron and manganese ores, tea, coffee, spices, cashew-nuts, textiles and ready-made garments, jute manufactures, coir products, sports goods etc. Germany: textile machinery with automatic looms, printing machinery, machine tools, complete installations and plants, precision and optical instruments etc.	Payment in non-convertible Indian rupees.	Three-year trade and payments agreement, formalized by exchange of letters in New Delhi on 18 December 1959. Trade to be on a balanced basis at a higher level.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
India—Hungary	15 June—31 Dec. 1959	India: iron ore, mica, pepper, shellac, raw goat and sheep skins, coffee, tea, vegetable oils, tobacco and manufactures, cordage and ropes, paints and lacquers, tapioca and products etc. Hungary: hardware, implements and instruments, electrical goods and appliances, machinery, non-ferrous metals, chemicals, pharmaceuticals etc.	Payment in non-convertible Indian rupees. Upon expiry of this agreement, balance will be settled in goods during the ensuing 12 months or in such other way as may be agreed upon.	Protocol, signed in Budapest on 15 June 1959, amending the payment provisions in, and forming an integral part of, the 17 June 1956 trade agreement for promoting trade exchange.
India—Iraq	17 May 1959—16 May 1961	India: cotton textiles, tea, jute goods, light engineering products, plastic goods, pharmaceuticals, chemicals etc. Iraq: dates, hides and skins, live animals, foodgrains etc.		Two-year trade agreement, signed in Baghdad on 29 December 1958 and ratified on 17 May 1959. Most-favoured-nation treatment mutually accorded. The agreement may be extended for a further period of one year by mutual agreement.
India—Italy	6 Oct. 1959—30 June 1960			Trade arrangement, formalized by exchange of letters in Rome on 6 October 1959. Automatically renewable for periods of one year unless terminated on three months' notice.
India—Outer Mongolia	1959	India: jute goods, tea, coffee, mica, shellac, manganese ore, coir and manufactures, tobacco, light engineering goods, and handloom products. Outer Mongolia: wool, hides and skins, furs, meat, butter, live animals and minerals.	Payment in non-transferable Indian rupees.	Trade arrangement, formalized by exchange of letters in New Delhi on 14 January 1959 between the Director of the State Trading Corporation of India and the Deputy Minister of Foreign Trade of the Mongolian People's Republic.
India—Poland	Through 1959	India: iron and manganese ores, mica, shellac, tea, coffee, spices, tobacco, cashew-nuts, hides and skins etc. Poland: various kinds of machinery, rolled steel products, electrical instruments, diesel engines, agricultural implements, locomotives, optical and medical instruments, newsprint, chemicals etc.	Payment in non-transferable Indian rupees. Upon expiry of this agreement, balance to be settled in goods during the ensuing six months or in such other way as may be agreed upon.	Protocol, signed in Warsaw on 11 November 1958, amending the payment provisions in and forming an integral part of the 1 April 1956 trade agreement for promoting trade exchange.
India—Poland	1 Jan. 1960—31 Dec. 1962	India: tea, spices, cotton manufactures, mica, shellac, coir products, castor oil, oilcakes, iron ore, palmyra fibre, textile machinery and accessories, sports goods etc. Poland: industrial raw materials, pharmaceuticals, ships and tankers, machinery and equipment for machine tool factories, foundries, coal mining etc., instruments and apparatus etc.	Payment in non-convertible Indian rupees.	Three-year trade and payment agreement, signed in New Delhi on 2 November 1959. Most-favoured-nation treatment mutually accorded. Trade to be on a balanced basis. Commodity schedules to be agreed upon for each calendar year.
India—Romania	14 May 1959—13 May 1962	India: iron ore, iron alloys, raw materials for textiles, hides, vegetable oils, pepper, coffee etc. Romania: industrial installations and equipment, equipment for the oil industry, electrical equipment, machine tools, tractors, road rollers, diesel engines, chemicals and pharmaceutical products etc.	Payment in non-convertible Indian rupees. Upon expiry of this agreement, balance to be settled in goods during the ensuing six months, or in such other way as may be agreed upon.	Three-year trade and payment agreement, signed in Bucharest on 14 May 1959. Most-favoured-nation treatment mutually accorded. Commodity schedules may be extended or renewed at the beginning of each calendar year. The agreement may be extended or renewed by negotiations commencing three months before its expiry.
India—Sudan	1959	30,000 bales of Sudan's cotton in exchange for India's light engineering products.		Barter agreement, announced by the Sudan Ministry of Commerce in March 1959.
India—USSR		USSR to grant India a credit of 1,500 million roubles at 2.5 per cent interest for helping India implement its Third Five-Year Plan and expanding trade between the two countries. Repayment of this credit, and also previous ones, can be made in Indian rupees instead of in sterling, which will be utilized by USSR for purchase of Indian tea, shoes, hides and skins, shellac and other primary products.		Credit agreement, signed in Moscow on 12 September 1959. Trade expected to increase by 50 per cent.
India—United Arab Republic		India: tea, jute goods, and other commodities to be agreed on. UAR: cotton.	Payment in Indian rupees instead of Egyptian pounds as arranged in March 1958.	Payments arrangement, signed in New Delhi on 1 August 1958.
India—United States	1959	Total value: about \$31.5 million each way. India: manganese, ferro-manganese etc. United States: 450,000 tons of surplus foodgrains, mostly wheat.		Barter agreement under US Public Law 480, signed in Washington on 5 March 1959.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
India—United States	1959—	Total value: \$238.8 million, including \$37.6 million of ocean transportation costs. United States: wheat/flour, 110 million bushels, \$182 million; cotton, 100,000 bales, \$14 million; feed grains, 3.9 million bushels, \$4.7 million; tobacco, 500,000 pounds, \$0.5 million.	Payment in Indian rupees.	Surplus agricultural commodity disposal agreement under US Public Law 480, signed in Washington on 13 November 1959.
India—United States		150,000 tons of US rice, valued at \$18.5 million including ocean transportation costs.	Payment in Indian rupees.	Supplement to the Public Law 480 agreement of 13 November, signed in Washington on 23 November 1959.
India—Yugoslavia	25 May— 31 Dec. 1959	India: iron and manganese ores, mica, shellac, tea, coffee, tobacco, spices, hides and skins, cotton textiles, cotton, wool, jute goods, cashew-shell oil etc. Yugoslavia: iron and steel products, rolling stock, steam boilers, locomotives, tractors, turbines, motors, aluminium, lead and zinc products, electrical goods, medical apparatus and instruments, chemicals and pharmaceuticals etc.	Payment in non-transferable Indian rupees. Upon expiry of this protocol, balance to be settled in goods during the ensuing six months, or, after lapse of the period, in other acceptable way within 90 days, or, after that, in free currency without further delay.	Protocol, signed in Belgrade on 25 May 1959, amending the payment provisions in and forming an integral part of the 31 March 1956 trade agreement for promoting trade exchange.
Indonesia—Australia	1 July 1959 —30 June 1960	Indonesia: tea, coffee, spices, rubber, teak, bauxite, petroleum, kapok, oil-seeds, essential oils etc. Australia: wheat flour, dairy products, iron and steel products, medicines, building materials, vehicles and parts, machinery, railway and telecommunications equipment etc.	Payment in pounds sterling.	First trade agreement, signed in Djakarta on 17 December 1959. Most-favoured-nation treatment mutually accorded.
Indonesia—Bulgaria	One year	Total value: \$1.5–2 million. Indonesia: rubber, tea, copra, coffee, tropical wood, pepper and spices, palm kernels and oil, cocon, and rattan. Bulgaria: machinery and equipment, ferrous metals, cables and wires, telephone sets, agricultural equipment, cement, industrial chemicals including soda ash, caustic soda, sodium nitrate and ammonium nitrate, cotton piece-goods, medicines, and wheat flour.	Payment in pounds sterling.	First trade agreement, signed in Djakarta on 27 January 1959. It may be extended by mutual consent.
Indonesia—Czechoslovakia	8–10 years	Czechoslovakia to supply Indonesia with equipment and technical assistance for the construction of a cement plant and 34 power stations, and also with 2,000 railway wagons, valued at about £5 million in total.	On credit basis, at an interest of 4 per cent per annum.	Aid protocol, signed in Djakarta on 1 September 1959.
Indonesia—Turkey		Indonesia: rubber, tea, coconuts, spices, and leather. Turkey: cement, medical supplies, tobacco, and dried fruits.		Trade agreement, signed in Ankara on 15 September 1959.
Indonesia—USSR	1959—	USSR to supply Indonesia with machines, equipment and materials, and technical assistance for the construction of two iron and steel plants, one superphosphate factory, 660 kilometres of highways, two mechanized rice-farming units etc. under the USSR credit of \$100 million stipulated in the 15 September 1956 agreement.	Payment to be made within 12 years in pounds sterling or in goods, at 2.5 per cent annual interest. First payment to be made three years after receipt of the credit for a definite project. In case the cost exceeds the stipulated amount of credit, the excess amount will be paid in goods and/or in acceptable freely convertible currency.	Protocol, signed in Djakarta on 3 January 1959, for implementation of the 15 September 1956 general agreement on economic and technical co-operation, which was ratified and came into force on 26 April 1958.
Indonesia—USSR	Through 1960	Indonesia: rubber, hides, coffee etc. USSR: machinery, equipment, fertilizers, paper etc.	Payment in pounds sterling.	Trade protocol, signed in Moscow on 31 July 1959. For Indonesian export of rubber to USSR, 20,000 tons was agreed in October for 1960; earlier, in April, the quota for 1959 was increased from 14,000 to 20,000 tons.
Indonesia—United Arab Republic		Indonesia: tea, coffee, rubber, spices, timber etc. UAR: cotton yarn, textiles, iron and steel, rice, onions, cement etc.	Payment in transferable pounds sterling or other acceptable convertible currency.	Trade and payments agreements, signed in Cairo on 28 September 1959.
Indonesia—United States		Total value: \$51.6 million, including ocean transportation costs. United States: rice (125,000 tons), wheat flour (50,000 tons), powdered milk (10,000 tons), and cotton (135,000 bales).	Payment in rupiahs.	Surplus agricultural commodity disposal agreement under US Public Law 480, signed in Djakarta on 29 May and amended on 1 October 1959. The amendment provides an additional sale of 75,000 tons of rice, valued at about \$11.3 million including ocean transportation costs.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Indonesia— Yugoslavia	1959—	Yugoslavia to supply Indonesia with equipment for a tannin plant and a small electric motor factory, ships, and small electric power stations to the value of \$10 million in total.	On credit basis.	Agreement on economic and technical co-operation, signed in Belgrade on 9 September 1958. Mutual trade volume to be increased. Yugoslavia will extend Indonesia assistance in the organization of shipping services, research work and in the industrialization and electrification of the country.
Iran— France	Through 1960	Iran: fruits, tea, silk cocoons, minerals, skins, tobacco, rugs etc. France: no quota list.		Trade agreement, signed on 4 June 1959.
Iran— United Kingdom				Treaty of Commerce and Navigation, signed in Teheran on 12 March 1959, providing for most-favoured-nation treatment in respect of customs duties and quotas, national treatment in respect of shipping and taxation, and equitable treatment in respect of a variety of establishment matters. The previous and first treaty of commerce was concluded in 1903.
Japan— Brazil	16 Oct. 1959 —15 Jan. 1960	Japan: iron and steel products, non-ferrous metal products, chemical products, machinery, ships, rolling stock, dynamos etc. Brazil: cotton, sugar, soya beans, wool, coffee, cocoa and cocoa butter etc.	Payment in transferable pounds sterling or other acceptable currency.	Notes exchanged in Rio de Janeiro on 15 October 1959, extending the 17 October 1958 trade and payments agreement for three months.
Japan— Cuba	1 July— 31 Dec. 1959			The 20 February 1958 trade modus vivendi, last extended to 30 June 1959, was further extended on 29 June up to 31 December 1959. The modus vivendi provides for most-favoured-nation treatment to Japanese imports into Cuba except textiles.
Japan— Czechoslovakia	Five years			Treaty of Commerce, signed in Tokyo on 15 December 1959, subject to ratification, providing <i>inter alia</i> , for most-favoured-nation treatment in trade matters, and national or most-favoured-nation treatment with regard to shipping and internal taxes and charges.
Japan— France	1 Apr.—30 June 1959	Japan: silk, chemical fibre goods, green tea, metals, silk fabrics, pearls, essential oils etc. France: nickel ore, potassium, phosphate rock, machinery, anthracite etc.	Payment in transferable pounds sterling or French francs.	Letters exchanged in Paris on 11 March 1959, further extending to 15 November 1957 trade arrangement for three months.
Japan— France	1 July 1959 —30 June 1960	Japan: silk, chemical fibre goods, green tea, metals, silk fabrics, pearls, essential oils, frozen and canned salmon, canned trout and crab etc. France: nickel ore, potassium, phosphate rock, machinery, anthracite etc.	Payment in transferable pounds sterling or French francs.	Trade arrangement, signed in Tokyo on 10 July 1959.
Japan— Greece	1 Apr. 1959 —31 Mar. 1960	Total value: \$3.65 million each way. Japan: machinery, frozen and canned marine products, vehicles and rolling stock, ceramics, lumber, textile goods, and metals and metal products. Greece: cotton, dried fruits, and tobacco leaves.	Open account in dollars, with a swing credit of \$500,000.	Trade plan under the 12 March 1955 trade and payments agreements, formalised by exchange of notes in Athens on 14 November 1959.
Japan— Sweden	1 Apr. 1959 —31 Mar. 1960	Japan: textiles (chiefly cotton cloth, woollen yarn and cotton and woollen secondary products), machinery etc. Sweden: steel products, machinery etc.	Payment in Swedish kronor or pounds sterling.	Trade protocol, signed in Tokyo on 16 May 1959. It provides for and non-discriminatory treatment to imports from each other.
Japan— Turkey	1 Aug. 1959— 31 July 1960		On cash basis.	Letters exchanged in Ankara on 30 May 1959, abrogating the "open account" settlement formula provided in the 8 February 1955 trade and payment agreement. The agreement has been automatically renewed for periods of one year since 1 August 1959.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Japan— United Kingdom	1 Apr. 1959 —31 Mar. 1960	Total value: Japan's exports to and imports from U.K. and its dependent territories for the year were fixed at £178.9 million and £99 million respectively. Japan: textiles, machinery, canned food, lumber, metals, electrical machinery, chemical products, pottery and glassware, bicycles and parts, silk etc. United Kingdom etc.: wheat and barley, oil and fat materials, salt, rubber, petroleum, hides and skins, leather, tanning extracts, machinery and parts, chemical products, wool, cotton, jute, minerals etc.	Payment in pounds sterling.	Letters exchanged in London on 26 March 1959, extending the 25 April 1958 trade arrangements for a further period of one year.
Japan— Yugoslavia	Indefinite: beginning one month after ratification and subject to termination at 6 months' notice.			Treaty of Commerce and Navigation, signed in Belgrade on 28 February 1959. Most-favoured-nation treatment mutually accorded. The main trade items between the two countries have been Japan's machinery, ships and textiles and Yugoslavia's mercury.
Japan— Yugoslavia	1959—	Japan to supply Yugoslavia with 10 million dollars' worth of plant equipment for the manufacture of either chemical fertilizers, pulp and paper, synthetic fibre or newsprint.	On credit basis.	Agreement, signed in Tokyo in April 1959.
Korea (northern)— Albania	1959	Korea: cement, copper wire, and high-speed steel. Albania: chrome ore and tanning extracts.		Goods exchange and payments agreement, signed in Pyongyang on 15 April 1959.
Korea (northern)— Czechoslovakia	Through 1959	Korea: non-ferrous and precious metals, chemicals, graphite, oleaginous materials, canned fish and fruit, tobacco etc. Czechoslovakia: equipment for hydro-electric stations, rolled products, special metal-working machinery, building, shoe and leather machinery, steel cables, chemicals etc.		Goods exchange and payments protocol, signed in December 1958. Trade volume to be four times that of 1958.
Korea (northern)— Czechoslovakia	Through 1960	Korea: electrolytic lead, zinc and copper, other non-ferrous metals, rare metals, processed foodstuff, tobacco etc. Czechoslovakia: equipment for power stations, rolling stock, machine tools, machine parts, chemicals, medicines etc.		Goods exchange and payments protocol, signed in Pyongyang on 19 November 1959.
Korea (northern)— Germany (eastern)	Through 1959	Korea: non-ferrous metals, mineral ores, chemical industry manufactures, oil-seeds, fruit, and rice. Germany: machine tools, excavators, bulldozers, equipment for the metallurgical industry, transport equipment, and optical and chemical products.		Goods exchange and payments protocol, signed in Berlin on 30 January 1959 under the long-term (1958-1961) trade agreement concluded in February 1957. Trade volume to be treble that of 1958.
Korea (northern)— Iraq	16 Aug. 1959—	Korea: pharmaceuticals, calcium carbide, sodium bicarbonate, caustic soda, and other chemical products, sheet glass, irrigation machines, porcelain, silk fabrics etc. Iraq: dates, barley, hides and skins, wool, cotton, woollen blankets, oil-seeds etc.		Trade and payments agreement, signed in Baghdad on 23 July and ratified on 29 December 1959. The value of Korea's imports from Iraq must be at least 50 per cent of Iraq's imports from Korea. Each country is to set up a trade mission in the other's capital, which, according to a protocol signed at the same time, shall be entitled to exercise consular functions.
Korea (northern)— Outer Mongolia	Through 1960	Korea: textiles, chemical products etc. Outer Mongolia: animal products.		Trade and payments agreement, signed in Ulan Bator on 1 July 1959.
Korea (northern)— Romania	Through 1959	Korea: non-ferrous metals, special steel, cotton, sesame, hops, chemical products etc. Romania: locomotives, tractors, tractor ploughs, paraffin, chemical products etc.		Goods exchange and payments protocol, signed in Bucharest on 16 February 1959 under the long-term (1957-1960) agreement concluded in November 1956. Trade volume to be four times that of 1958.
Korea (southern)— United States	1959	Total value: \$38 million, including \$4.7 million of ocean transportation costs. United States: 12 million bushels of wheat (\$20.3 million), 60,000 bales of cotton (\$7.5 million), and 0.4 million bushels of feed grains (\$0.5 million).	Payment in Korean hwan.	Surplus agricultural commodity disposal agreement under US Public Law 480, signed in Seoul on 30 June 1959.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Pakistan—Czechoslovakia		Total value: Rs. 6.5 million each way. Pakistan: cotton, jute, and tea. Czechoslovakia: iron and steel, machinery and parts, tractors, trucks and cars, chemicals and dyes etc.	Payment in Czechoslovak crown.	Barter agreement, concluded in November 1959.
Pakistan—Iraq		Pakistan: jute and manufactures, tea, hurricane lanterns, gramophone records, exposed films, biscuits and confectionery, sports goods and toys, stationery, and electrical fans. Iraq: dates.	Payment in Pakistan rupees.	Barter arrangement, formalized by exchange of letters in Karachi on 11 November 1959.
Pakistan—Lebanon		Pakistan's cotton in exchange for Lebanon's fine quality yarn worth 1.5 million Pakistan rupees.		Barter agreement, concluded in May 1959.
Pakistan—USSR		Pakistan jute for 50,000 tons of Soviet cement.		Barter agreement, reached in June 1959.
Pakistan—USSR		Pakistan shoes in exchange for Soviet watches and cycles valued at about 400,000 Pakistan rupees.		Barter agreement, concluded on 11 November 1959.
Pakistan—United States	1959	US soybean/cottonseed oil for Pakistan, valued at \$3.7 million including ocean transportation costs.	Payment in Pakistan rupees.	Supplemental agreement to the 12 November 1958 surplus agricultural commodity disposal agreement, reached in May 1959.
Pakistan—United States	To take effect one month after ratification.			Treaty of Friendship and Commerce, signed in Washington on 12 November 1959, for promoting trade and investment. Subject to ratification.
Pakistan—Yugoslavia	1959	Pakistan jute in exchange for 50,000 tons of Yugoslav cement.		Barter agreement, concluded in June 1959.
Thailand—United States	Jan.—Apr. 1959	5,908 tons of Thailand's glutinous rice, valued at \$629,644.		Signed in Bangkok in January 1959. The rice to be delivered to Laos.
Thailand—United States	Mar.—Aug. 1959	Total value: \$4.5 million each way. Thailand: 2,250 long tons of non-quota tin. United States: tobacco.		Barter arrangement, announced in Bangkok on 2 March 1959.
Viet-Nam (northern)—Albania	1959—1960	Viet-Nam: rice, coffee, cinnamon bark, cement etc. Albania: bitumen, plywood etc.		Trade agreement, together with a protocol on goods exchange and payments for 1959, signed in Hanoi on 16 February 1959.
Viet-Nam (northern)—Bulgaria	1959—1960			Trade agreement, signed in Sofia on 23 January 1959, calling for an increase in trade volume of 30 and 80 per cent over 1958 in 1959 and 1960 respectively.
Viet-Nam (northern)—Bulgaria	Through 1959	Viet-Nam: tin, phosphoric lime, rice, maize, tea, coffee, and handicrafts. Bulgaria: machines, equipment, cables, medicines, and lead.		Goods exchange and payments protocol, signed in Sofia on 13 January 1959.
Viet-Nam (northern)—Germany (eastern)	Through 1960	Viet-Nam: rice, maize, oil-seeds, chrome ore, zinc, woollen fabrics, and leather shoes. Germany: machinery, precision optical instruments, cellulose, medicines, and fertilizer.		Trade protocol, signed in Berlin on 7 December 1959. Trade volume to increase by 60 per cent over 1959.
Viet-Nam (northern)—Iraq		Viet-Nam: rice, timber, artificial silk, sugar, and machines. Iraq: dates, hides and skins, cotton, wool, and petroleum products.		Trade and payments agreement, signed in Baghdad on 8 July and ratified on 23 December 1959. Trade representatives to be exchanged.
Viet-Nam (northern)—Outer Mongolia	1959—1960	Viet-Nam: silk, woollen textiles, and other consumer goods. Outer Mongolia: hides, wool, leather, and other livestock products.		Goods exchange and payments agreement, signed in Ulan Bator on 15 January 1959.

2. ECAFE EXTRAREGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and principal exports	Method of payment	Remarks
Viet-Nam (northern) -Outer Mongolia	Through 1959	Viet-Nam: silk, embroidered articles, peanut oil, sweets and preserved fruit, cigarettes etc. Outer Mongolia: leather, deer horns, sheep's fleece etc.		Goods exchange and payments protocol, signed in Ulan Bator on 15 January 1959.
Viet-Nam (northern) -Outer Mongolia	Through 1960	Viet-Nam: silk, sweets, children's clothing, leather shoes etc. Outer Mongolia: leather, fur goods, butter, meat etc.		Goods exchange and payments protocol, signed in Hanoi on 14 July 1959. Trade volume to be 35 per cent bigger than 1959. At the same time was signed an economic aid protocol, under which Outer Mongolia will grant northern Viet-Nam 1.3 million roubles and 2,000 hides without compensation, the 1.3 million rouble aid to cover transportation costs on Mongolian railways and other trade expenses for goods imported from Viet-Nam in 1957 and 1958.
Viet-Nam (northern) -Poland	1959-1960	Viet-Nam: rice, maize, oil-seeds, forest and handicraft products etc. Poland: industrial equipment, spare parts of motor-cars, trucks and bicycles, rolled metals, chemical and pharmaceutical products etc.		Trade agreement, signed in Hanoi on 12 February 1959. Trade volume to increase by 70 per cent in 1959 over 1958 and still more in 1960. A trade protocol for 1959 was signed at the same time.
Viet-Nam (northern) -Romania	1959-1960	Viet-Nam: tin, rice, tea, jute, peanuts, shellac etc. Romania: petroleum products, machinery for the cement industry, transformers, other machinery, chemicals etc.		Two-year goods exchange and payments agreement and protocol for 1959, signed in Bucharest on 12 January 1959. Trade volume to increase over 1958 by 100 and 130 per cent in 1959 and 1960 respectively.
Viet-Nam (northern) -France	22 May 1959-		Payment in convertible francs by the franc area, but, until further notice, in non-convertible francs by Viet-Nam.	Payments arrangement, concluded in April 1959.
Viet-Nam (northern) -United States		About 6.76 million pounds of US tobacco, worth \$4.9 million including ocean transportation costs.	Payment in piastres.	Surplus agricultural commodity disposal agreement under US Public Law 480, reached in October 1959.

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The *Economic Bulletin for Asia and the Far East* (beginning with Vol. IV) is issued quarterly, in May, August, November, and February. The February issue contains the annual *Economic Survey of Asia and the Far East*, in addition to an annual summary of the trade agreements concluded and a compendium of Asian economic statistics. The May and August issues contain, in addition to a semi-annual survey in the August issue, articles and notes on particular subjects related to the Asian economy and a compendium of Asian economic statistics. The November issue (beginning with Vol. VI) is devoted to special studies and reports relating to economic planning.

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